Germany's New Generation (Page 16)

# THE FINANCIAL POST

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The Canadian Newspaper for Business Men and Investors

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## The Nation's Business

Problems of Periodicals in Canada

Lower Rate for Provincial Bonds

Canada's Credit; How Strong Is It?

New Home for the B.N.A. Act

### Canadian Literature

IT IS not likely that many people appreciate the barriers that have to be hurdled by Canadian publishers in giving this country magazines expressive of Canadian tastes. No nation can develop a fully expanded national personality without creating its own literature. That literature must include periodicals as well as books, for periodicals are the literature of the great mass of the people.

Spoon-fed literature is likely to lack both merit and vitality. Canadian magazines are not spoon fed. They have to compete on their merits—on their intrinsic appeal to the magazine-buying public. Few Canadians will buy a Canadian magazine for sentimental reasons although most Canadians will buy a home-edited product that keeps them adequately posted on Canadian events and ideas and does not constantly bring them the expression of another nation's philosophy.

* * *

CANADIAN publishers are willing to let their productions compete on their merits against the periodicals of any country. In such a defiant gesture they set themselves no small task. It must be obvious to anyone that producing a magazine for 7.5 millions of people (our English-speaking population) is, economically, a vastly more expensive proposition than producing one for 125 millions of people, as United States publishers are able to do.

Thus if taxation and tariff conditions were equal the Canadian publisher would still start with a very serious handicap. Against this handicap of comparative size of markets he does not declaim. What multiplies the problem is the fact that to this handicap are added tax and tariff burdens that make the competitive position almost insurmountably uneconomic from the start. The Canadian publisher pays more for his paper, his inks, his type, his machinery and his other supplies because of customs tariffs and sales taxes that are not borne by his foreign competitor. He pays a high postage rate, one increased during the depression.

Probably there is no other product that has to face such competitive conditions as these. On everything that enters into the production of a magazine in Canada there is high protection and heavy taxation. And yet the finished product itself is not protected.

* * *

CANADIAN magazine publishers have not demanded the restoration of the protection they were given during the depression. But they are asking that the extra tariffs and taxes that have been piled upon them in recent years—taxes that they bear and that their foreign competitors do not bear, even when they sell their product in Canada—be taken off.

It was a curious thing that happened in the reciprocity agreement. All Canadian taxes on American magazines were taken off, leaving them free of contribution to the Canadian treasury. Yet the heavy tax and tariff burdens that Canadian magazines must bear remain as yet untouched.

* * *

### Conversion for Provincial Debts

IN THE history books, the interprovincial conference of 1935 may live as the one that came to grips with the very important issue of modernizing Canada's constitution. But most Canadians are more interested in today's tax bills than tomorrow's history books. For that reason, the premiers' and treasurers' discussions last week were more important at the moment than the discussions on the B. N. A. Act and where it should be domiciled.

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NO FINAL decisions on financial questions were achieved. But it is easy to forecast the major developments that will come out of further discussions after the turn of the year. The chief one will be a plan for offering to the provinces the opportunity of refunding their debts on a three per cent basis. The instrument will be a Loan Council but apparently not a Loan Council on the Australian model. The latter exercises a rigid control over the budgets of all the states as well as of the Commonwealth. Our Loan Council will be able to control

(Continued on page 2, col. 2)

## Make Canada Own Mistress Of B.N.A. Act

### Ottawa Decision to Alter Home of Constitution is Major Step

### TO DECIDE METHOD

Unanimity to be Necessary on Amendments Affecting Minorities, Religion, Education

From Our Own Correspondent

OTTAWA. — Outstanding as a major achievement of the Dominion-provincial conference held at Ottawa last week is the decision of the Fathers of Confederation, 1935 edition, to use the constitution as the solvent to many of the major problems now barring the path to progress.

Statesmen responsible for Dominion and provincial government agreed to cut away the straight jacket in which the country has been confined these past thirty years (the old constitution fitted well up to that time) and to make the British North America Act a Canadian statute, amendable in Canada. Actual amendment in Canada, however, may take some time.

It is the culmination of Mr. Kipling's "Lady of the Snows":

"Daughter am I in my mother's house
"But mistress in my own."

**Clears Legal Snag**

This simple decision revolutionizes the legal snags in major problems—debt, unemployment, social reform, industrial and other forms of regulation, taxation and similar matters. Enlargement of Dominion jurisdiction in one field; enlargement of provincial jurisdiction in another; re-survey of taxation powers with the object of according provinces a wider tax base to support their responsibilities; all these matters will become susceptible of political action. The cumbersome, inefficient method of having our constitution a British statute, rules for amendment undefined, will go.

What the conference actually did was to agree, for all practical purposes, to move the British North America Act from London to Canada. As every statute must have a habitat, the new home for the constitution will be the Parliament of Canada—with limitations placed upon this Parliament so far as the right of amendment is concerned.

**N.B. Dissenter**

There was one dissenting voice against this decision, strangely enough not the voice of Quebec. The province of New Brunswick holds the honor of being the last defender of constitutional inviolacy. Premier Arthur Dysart withheld his support, but this fact will not delay action. Otherwise the nation, through its representatives, spoke unanimously, and the British Parliament without question will grant the request for self determination

How the British North America Act will be amended after it is transferred to Canada will be worked out by a sub-committee of the conference comprising Hon. Ernest Lapointe, minister of justice, and the nine provincial attorneys-general.

**Prospect of Agreement**

It is anticipated that having formally agreed to the phrase that "amendments to the constitution are imperative" there will be little difficulty in devising the domestic machinery of change. Undoubtedly it will follow closely the formula worked out by government experts in 1927 and presented to a similar conference held in that year by Mr. Lapointe. On matters affecting minority, religious or educational rights, amendment will require the legislative approval of the Dominion and all nine provinces. On ordinary matters of jurisdiction, the consent of the Dominion and six of the provinces will be needed. On lesser matters consent of but five of the provinces will be required.

So far as the constitution is concerned, the future will work itself out in negotiations and agreements as between the partners in confederation. If, for example, the Dominion agrees to accept constitutional responsibility for unemployment, the provinces will have to make appropriate sacrifices.

## Business Firm At Year-End

Gains and losses are freely mingled in current weekly business figures. The net result as shown in The Financial Post business index for November (page 7) is a slight decline from October levels but a continuance of the high comparative level of year-end business compared with last year.

| | | —Change— From Prev. Period | From Prev. Year |
|---|---|---|---|
| **Monthly:** | **November** | % | % |
| Wheat flour exp., bbls. | 525,368 | +4 | +4 |
| Wheat exp., bush. .. | 26,575,296 | —8 | +41 |
| Pig iron, prod., tons | 64,562 | +41 | +68 |
| Steel ingots, prod., tons | 93,300 | —1 | +63 |
| Bldg. permits, $ .... | 3,315,001 | —17 | +26 |
| Newsprint prod., tons | 262,854 | —1 | +9 |
| Imports, $ .......... | 55,975,290 | +6 | +12 |
| Exports, $ .......... | 85,316,722 | +0.4 | +30 |
| Plank & board exp., mill. ft. | 121,444 | —12 | +0.7 |
| Crude petrol., imp. gal. | 137,399,424 | +2 | +10 |
| Raw cotton imp., lb. | 13,814,244 | +28 | —25 |
| Raw rubber imp., lb. | 9,832,033 | +440 | +180 |
| Creamery butter prod., lb. | 13,479,391 | —35 | +5 |
| **Weekly:** | | | |
| Car loadings, No. .. | 44,921 | —4 | +3 |
| Cattle sales, No. ... | 17,006 | —3 | +22 |
| Hog sales, No. ...... | 22,329 | +42 | —10 |

## Approve Loan Council To Provide 3 p. c. Rate On Bonds of Provinces

### Eight of Nine Provinces Agree to Loan Council Principles as Proposed by Dominion—Committee of Ten Meets in January

### HEPBURN ONLY MAJOR POLITICAL OBSTACLE

Dominion Bonds to be Immune from Conversion at Reduced Rates — Eastern Provinces Would Stay Outside — See Conversion of Both External and Internal Bonds of Western Provinces Saving $12.5 Millions Yearly

By STAFF WRITER

OTTAWA.—Definite steps toward the formation of a national loan council have been taken at Ottawa. Under this, loans of co-operating provinces would be supervised and guaranteed.

Pending formation of such a body, the Dominion government will continue the policy of lending to the western provinces to forestall any possibility of default.

Plans for the loan council have advanced since The Post reported the broad outline of the scheme last week.

The impression that the loan council scheme was a failure at last week's Dominion-provincial conference at Ottawa is false. The Financial Post is informed on excellent authority that tacit approval of all provinces, with the exception of Ontario, has been obtained. Premier Mitchell F. Hepburn of Ontario remains the only major political obstacle to creation of the debt-controlling body.

If and when the council is formed, one of its first tasks would be to arrange refinancing at three per cent, and under Dominion-council guarantee, of bonds of those provinces that decide to participate actively. This would probably involve a major portion of the debts of provincial governments, which total $1.6 billions. This possible saving in total annual interest charges on provincial bonds would range up to $30 millions.

**First Subscribers**

If the loan council scheme is arranged, British Columbia, Alberta, Saskatchewan and Manitoba would likely be the first subscribers. Conversion of all their present bonds to a three per cent basis would save the four provinces a total of some $12.5 milliions annually in interest charges. Coupled with increased grants for unemployment relief and other adjustments, these governments might be able to achieve complete budget balance shortly after completion of such a refunding operation.

It is unlikely that the three Maritime Provinces and Quebec would subscribe to the loan council scheme at present. Ontario under Premier Hepburn is a question mark.

**Would Exempt Dominion**

Dominion government bonds would be entirely immune from any such conversion at reduced interest rates, The Financial Post understands. A basic reason for this is that the Dominion's credit would be maintained as the bedrock of the whole Canadian financial structure upon which the success of the loan council would necessarily rest. Also, the Dominion has over $700 millions of bonds maturing within two years which are likely to be refunded at not more than three per cent in any event.

Municipal bonds have not entered the discussion yet.

**Details to be Discussed**

Because of the complexities in provincial debt due to issue of bearer bonds, payable in one of two, or one of three, currencies at the holder's option, the conversion scheme would involve both external and internal bonds of the co-operating provinces All holders would be offered guaranteed three per cent bonds for their present securities.

A committee of the nine provincial treasurers and the Dominion Minister of Finance, Hon. Charles A. Dunning, will meet at Ottawa shortly, probably in the second week in January, to discuss details of the plan.

**Major Principles**

The original proposals presented by the Dominion to the conference

(Continued on page 2 col. 5)

## FIRSTBROOK BOXES DEFAULTS ON BONDS

### No Decision Made as to Whether Company is to be Placed in Receivership

Firstbrook Boxes Ltd. has defaulted the interest payment which was due on its six per cent first mortgage bonds on Dec. 15, The Financial Post is informed. Deferred interest of over $90,000, representing three years interest fell due on that date. The company lacked cash to meet the obligation.

What action will be taken by bondholders and whether the company will be placed in receivership is at present unknown. Recently the bondholders approved a proposal for the sale of the company to Gair Co. of Canada through exchanging their bonds for income notes of Robert Gair Co. Inc., to an amount of 80 per cent of the face value of the bonds. Sale of the company, however, was rendered void when the courts ruled that the common shares, which are held in a voting trust, could not be voted on such a proposal. If the company goes into receivership the way will be opened for Gair Co. of Canada to make another offer.

## Canadian Airways Year Reported Satisfactory

Although activity in some northern districts has been reduced, Canadian Airways Ltd. has been having a satisfactory year, The Financial Post is informed. The liquid position of the company has been maintained.

## King Pushes Trade Pacts Realignment

### Japanese Settlement in Ten Days—Other Negotiations Pushed

### U. K. TREATY IN SPRING

From Our Own Correspondent

OTTAWA.—Like a stone thrown into a pool, the trade agreement with the United States is sending ripples along Canada's foreign trade front. Further trade negotiations affecting the preferential and intermediate tariffs are now regarded as inevitable.

Chief among the countries to be negotiated with is Great Britain (already approached by the United States), Soviet Russia, France and Japan.

**Japan**

So far as Japan is concerned, the much postponed settlement of the trade war is scheduled to take place within ten days. Many and conflicting reports are in circulation with respect to the basis of the compromise. The best information available from cabinet circles is that the King government will narrow the rate of the currency dump duty, but not entirely eliminate it. The order-in-council valuations will be retained but an appeal to the tariff board will be permitted at which Canadian manufacturers will have to prove justification. The surtaxes, of course, will be withdrawn by both countries.

**U. S. Treaty a Factor**

It has emerged in the past three weeks, and very clearly, that the United States trade agreement makes a new treaty with the British Empire essential. When the Ottawa treaties were entered into, the greatest competitor of British countries, in the Canadian market, was the United States. The latter, at that time, received Canada's general tariff, the highest. In framing the Ottawa pacts, all the business men of the Empire, in rating the tariff preferences received from the Bennett government, considered the United States on this basis.

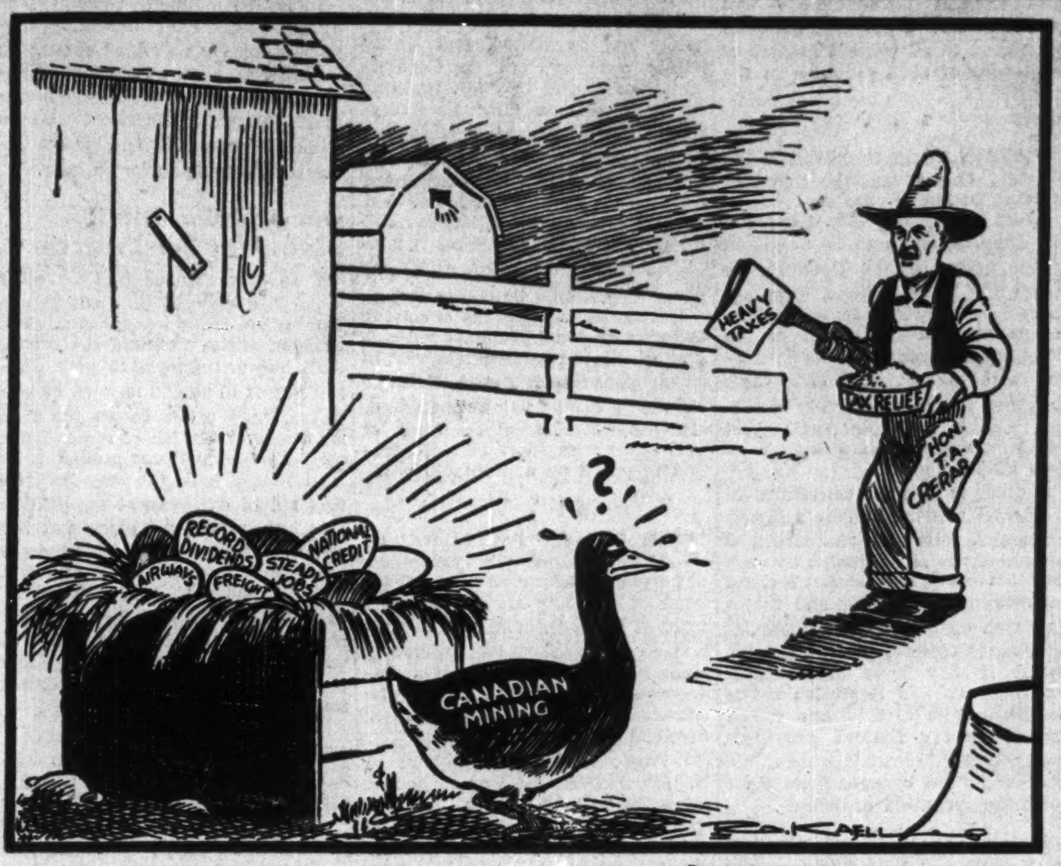
The treaty provided that the spreads between the preferential and the higher tariffs could not be altered—that is, on the many items covered by the treaty—and therefore the margin of preference against the U. S. on key products appeared permanent. But in extending the intermediate tariff to the United States, the King government has entirely destroyed the basis of the Ottawa treaties. The treaty has not been violated in the technical sense but it has been set aside to all practical purposes.

The operating spread of tariff between United States manufacturers and their British competitors, in this market, has been narrowed all along the line. A reduction in preferential duties is regarded as unavoidable and the only question now being considered is the appropriate time to launch the discussions. These may start after the next session of parliament adjourns.

**Russia and France**

There are many indications to point to the withdrawal of the limited embargo placed against Russian goods by the Bennett government. The chief demand for easier trading facilities with the Soviet republic, curiously enough, comes from Quebec where a group of French-Canadian business men is very active.

Preliminary discussions with the Laval government in France, looking to a revision of the Franco-Canadian trade treaty are already under way. Senator Raoul Dandurand, it is reported, is representing the Canadian government.




WHICH WILL IT BE: AXE OR FOOD FOR THE GOLDEN-EGG LAYER?

—Drawn for The Financial Post by R. Kaell.

## Finds U. S. Business Making Rapid Strides

### Gain Reflected Here in Six Months?—Canada's Credit Hit

By STAFF WRITER

NEW YORK.—Prosperity has got around the corner in the United States and if the traditional six months lag between conditions in the States and Canada runs true to form, business in Canada will take a marked turn for the better by next spring.

The pent-up buying power of four years of depression has started to flow and the resultant increase in business has brought a return of confidence. Business in the States has been on an increasing tempo and the statistical records indicate that activity now in many lines is not far from the peak of 1929.

**Motor Industry Helps**

Undoubtedly some share of this improvement has been due to the change in policy of the automobile industry in putting forward the introduction of new models. Even allowing for this change the fact remains that conditions are greatly improved as compared with those prevailing a year ago.

Banking and investment circles anticipate a reaction, especially in the financial markets. This is expected to take place some time in January or February, when the usual seasonal pick-up, brought about by the automobile industry's introduction of new models, will be missing. This will not be serious, however, and the opinion is that business and the stock market will experience a broad upward movement next year.

**Plenty of Credit**

Banking houses here are finding the same difficulty as the Canadian chartered banks in building up their commercial loan business. Through the lean years industry has husbanded its resources. Working capital has been maintained and there is no immediate need for banking assistance in order to take care of the increasing volume of business.

Loans to brokers are still relatively light despite the increase in activity on the exchanges. The volume of turnover has expanded greatly, but most of the trading is on a cash basis. Consequently brokers have not been borrowing extensively from the banks.

**Buy Short-term Securities**

Money rates are low and will likely continue that way, according to leading New York bankers. The banks are confining their investments to short-term treasury notes and corporation bonds of near maturities. There is considerable distrust among bankers of the Federal administration's financial policies and banks throughout the country, both large and small, will not commit themselves to the purchase of long-term securities.

As a result of this policy the banking institutions find themselves continually confronted with the problem of placing their funds. The return on prime commercial paper is a fraction of one per cent. The Government treasury notes, having in mind that the banks will seldom touch any with a maturity extending more than a year, yield less than one half of one per cent. A slightly higher yield is returned on the second grade of near-term securities, but still well under one per cent.

**Canada a Poor Risk**

Though there is a plethora of credit in New York City, there is little or none for Canada. Banking institutions are attracted by the yield on certain of the better grade Canadian securities, but are hesitant about taking on even a small commitment because of various conditions which militate against Canada's credit in New York.

**Hydro Hurts Credit**

One of the principal drawbacks to the placement of American funds in Canada at this time, it is pointed out, is the repudiation of the Ontario Hydro contracts. Coming not long after the City of Calgary refused to meet payment on American maturities in gold and the difficulties encountered by holders of Vancouver bonds, the banks and investment houses here are inclined to question the good faith of Canadian borrowers.

A second drawback is the political situation, more especially the Social Credit scheme which put Aberhart and his followers in power in Alberta. There is a very wide interest in New York in the Social Credit programme; in fact, it is taken more seriously than in Canada. Social Credit is regarded as unsound and unworkable, but the lending institutions are afraid that the plan may spread to other parts of the Dominion.

The other principal drawback to greater investment in Canadian securities is a combination of exchange and repudiation. American bankers have not forgotten the difficulty which Canadian municipalities, provincial and federal governments, as well as corporations, had in meeting principal and interest payments in American funds when the Canadian dollar was selling at a heavy discount. Consequently they do not want long term obligations.

**U. S. Political Outlook**

The political situation in the States is rather obscure. Business men claim that the improvement in conditions has been the result of their own policies rather than those fostered by the Roosevelt Administration. On the other hand the farming population believes that Washington has done a great deal to improve its lot.

As far as business is concerned it is freely admitted that the move toward a larger measure of control of industry by the federal government which has arisen out of the depression and the Roosevelt régime is not

(Continued on page 2, col. 4)

## Silverwood's Plans Recapitalization

Directors of Silverwood's Dairies, Ltd., in 10 days will announce a plan for consolidating all affairs and assets of the parent company and its 25 subsidiaries. Recapitalization on a plan which will permit resumption of dividends to present preferred stock shareholders is one of the chief aspects of the plan now being considered. New securities issued will take into account present earnings and current low interest rates.

Last balance sheet as at March 31, 1935, indicates the possibility of financing to fund debentures and various mortgages of subsidiary companies. Various taxation and accounting savings can be effected by such a consolidation, it is believed. Bank loans have been paid.

## Highlights

*German Youth*

New Germany inculcates its rising generation with initiative and a high regard for the dignity of labor, under rigid state supervision., Page 16

*Motor Industry*

Plea for tariff protection by Canadian Automobile Chamber of Commerce reveals vital part played by industry in Canada's economic life. Page 9

*Canadian Magazines*

High quality magazines explode myth of Canada's literary inferiority but publishers labor under serious tax burden in competition with foreign producers. Page 9

*Radical Liberals*

Strong possibility seen of Hepburn leading new radical liberal group at variance with King's financial policies Page 3

*The Sheet Anchor*

Over 300,000 people derive a living from Canada's depression-proof industry, mining. Page 14

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INDUSTRIALS AND UTILITIES

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|---|---|---|---|
| Acme Farm. D. | 4 | Ford of Can. | 4, 9 |
| Bilt. Hats | 4 | Firstbrook Box | 1 |
| B. C. Telephone | 4 | Frost Steel | 2, 4 |
| Br.-Henderson | 11 | Gr. Lakes Pwr. | 2 |
| Brewing Corp. | 11 | Granite Club | 4 |
| Bank of Can. | 4, 8 | Great L. Paper. | 3 |
| Bk. of Comm. | 8 | Great-W. Life | 10 |
| Bank of N. S. | 2 | Gatineau P. | 11 |
| Beatty Bros. | 11 | Imp. Life | 10 |
| Can. Rail & H. | 11 | Jam. P. S. | 3 |
| Can. Life | 10 | Lincoln Pulp | 5 |
| Conf. Life | 10 | Man. Pwr. | 11 |
| C. N. Rwys. | 16 | Maritime El. | 16 |
| Corr. P. Box | 3 | North Am. Life | 10 |
| Can. P. Serv. | 4, 5 | Niagara Wire | 3 |
| Can. Airways | 1 | Ont. Silknit | 2 |
| Con. Glass | 5 | Ph. Engravers | 4 |
| C. P. R. | 4 | Page-Hersey | 11 |
| Canada Dry | 4 | St. Lawrence P. | 11 |
| Can. Bread | 4 | Stand. Chem. | 11 |
| Cons. Bakes | 4 | Sherwin-W. | 2 |
| Credit Anglo-F. | 5 | Silverwood's D. | 1 |
| Can. Canners | 4 | Sun Life | 10 |
| Dom. Steel | 11 | Union Gas | 11 |
| Dom. Foundries | 14 | Van. W. Drug | 4 |
| Dist.-Seagrams. | 1 | Walkers | 3, 11 |
| Dom. Bakeries | 4 | Wabasso Cotton | 1 |
| Eaton Trading | 9 | W. Can. Hydro | 5 |
| Fanny Farmer | 3 | Windsor Hotel | 16 |

MINES, OILS, ETC.

| | | | |
|---|---|---|---|
| Asbestos (Can.) | 15 | Int. Nickel | 15 |
| Arntfield | 14 | Lamaque | 15 |
| Bulolo | 15 | McMillan | 14 |
| Cariboo Gold | 15 | Ont. Prospectors | 15 |
| Cons. Smelters | 4 | Parkhill | 15 |
| Cartier-Mal. | 15 | Reno Gold | 15 |
| Castle-Treth. | 15 | Rickard-Ra. | 15 |
| Centl. Man. | 15 | R.-McDonald | 14 |
| Gilmour | 15 | Sudbury M. | 14 |
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## Wabasso Cotton Plans $3 Million Bond Issue

From Our Own Correspondent

MONTREAL. — Wabasso Cotton Co. is understood to have plans covering the redemption of its outstanding funded debt, including that of its subsidiaries, and replacement with a first mortgage bonds issue against all properties.

New bonds will total $3 millions. One block of bonds, carrying a coupon of 3½ per cent, will be issued to the amount of $600,000 and redeemable at the rate of $150,000 a year from 1937 to 1940.

The second block of $1.4 millions carrying a coupon of 4 per cent, will be issued and redeemable at the rate of $175,000 a year from 1941 to 1948.

The balance of the financing, amounting to $1 million at 4½ per cent, will mature in 1951.

With the proceeds of this bond issue, it is understood that the company will redeem at 110 all of its outstanding 6 per cent first mortgage bonds amounting to about $748,500, and maturing June 1, 1947. It will also redeem its $431,500 of 7 per cent bonds, due 1942, at 110.

Redemption will also be made at 105 of the $1,726,100 of 6 per cent first mortgage bonds of St. Maurice Valley Cotton Mills, wholly-owned subsidiary. Of this issue, $722,000 is at present pledged as security for the Wabasso Cotton 7's and therefore does not require refinancing. There will also be redemption at 105 of $714,500 of Shawinigan Cotton Co. 6 per cent first mortgage.

## New Board Sells Wheat In Big Way

### Carry-over is Reduced by Thirty-five Million Bushels

### BACK EXPORTERS

New Policy of Pushing Sales Brings Orders from U. S., Europe and the Orient

From Our Own Correspondent

WINNIPEG. — Canada has been selling wheat.

By millions of bushels, at a rate that has not been equalled during recent years, bookings have been made for forward shipments. Thirty-five million bushels, perhaps a great deal more, have been sold by the new Canadian Wheat Board.

**Flood of Orders**

All over the world, in the United States, in Great Britain, on the Continent and in the Orient, exporters, importers and grain merchants generally, have been pushing the sale of Canadian wheat in a way that has not been known for a long time. Their efforts have brought a tremendous volume of buying into the market, and willing buyers have met a willing seller in the Canadian Wheat Board.

When the new selling policy of the government and of the Wheat Board was announced fears were expressed that this might be given a bearish construction. Instead, exactly the opposite effect has been produced by the demonstration that Canada was not only able but willing to do business on a large scale.

**Credit Murray**

Credit is freely accorded the new chairman of the Wheat Board, J. R. Murray, for the change in technique. Exporters were encouraged to offer freely by overnight protection on prices. Previously exporters had found it necessary to proceed very gingerly. If they found their overnight offers accepted by overseas customers, they were likely to find prices run up on them next morning before they could cover their obligations. The market had been kept so narrow by the tight holding of government supplies that occasional spurts of business frequently forced prices up a cent or two, with a succeeding decline as soon as the advance checked further business assurance.

But with assurance that the government agency was willing to sell, exporters began to offer freely, in large round lots, while buyers, gaining confidence, began to order wheat for forward shipments instead of merely covering day to day requirements.

At first a million, then two million bushels or so were known to have been sold overnight. Then came a spurt with the report that twelve million bushels had been sold in a single night, all of which was understood to have been covered by the Wheat Board. Under earlier conditions probably not one quarter of that amount of business could have been transacted in a single session, for dealers would not have dared to offer in large quantities.

**No Innovation**

The Board's technique is not any sudden innovation. Rather it is the application of a principle that had been repeatedly urged upon the government agency in the past. To those familiar with the special difficulties created by the "stabilization" plan formerly pursued, when the government agency seemed to be more concerned with the prevailing price level than with the selling of wheat, it had been apparent that a change in procedure was necessary if substantial volume was to be gained.

**Sales Create Sales**

Sales have produced more sales. The obvious fact that some millers were planning to use more Canadian wheat in their milling mix made it incumbent on other millers also to provide themselves with such wheat, in order to compete in quality of flour.

Alarm created by Argentine developments was an important factor in bringing business into the market. But the change in selling technique had been made and was commencing to bring results before the change in Argentine conditions was known, and the government agency had put itself in a position to do big business when the opportunity to do such business occurred.

## Distillers Corp. Controls Highland Scotch Common

Highland Scotch Distillers, Ltd., whose sale to James A. Forrest (Distillers) was recently reported as resulting from a meeting of shareholders on November 30, is shown as a subsidiary in the listing statement given to the New York Stock Exchange by Distillers Corp.-Seagrams. Distillers Corp. had owned 76.37 per cent of the outstanding no par value stock. This statement was given to the Exchange on November 20 and the shareholders met on November 30.

The description of Highland Scotch Distillers property shows it to consist of 11 acres in Humberstone, near Port Colborne. There are on the land three single-storied buildings constructed principally of limestone masonry with reinforced concrete lintels and sills and concrete floors and foundations. The company has seven trademarks registered at Ottawa.

GIVE HIM A Gift he can wear

Choose from The T. EATON Co.'s wide selection of suitable merchandise.

Men's Furnishings and Accessories, Main Floor.

Men's Clothing and Footwear, Second Floor.

MAIN STORE.

T. EATON Co LIMITED
TORONTO CANADA

# The Nation's Business

(Continued from page 1)

spending only through control of borrowing.

It will consist of the Dominion and any provinces that feel it necessary to obtain assistance in the conversion of their outstanding bonds at lower rates of interest. Jointly, the Dominion and the co-operating provinces — which may ultimately mean all of the provinces—since all of them are finding their present debt charges burdensome — will guarantee new 3 per cent bonds to be offered to all present holders of the bonds of each province in the scheme.

* * *

CERTAIN things stand out in the plan. One is that the securities of the Dominion are not to be touched in any way. Mr. King and Mr. Dunning seem to be confident of the ability of the Dominion to meet all of its obligations. They apparently desire also to ensure the maintenance of the credit of the Dominion in order that its association with a provincial conversion plan may ensure the success of that plan; on the principle that a steel rod is stronger than a bundle of even nine faggots.

Another is that the conversion of provincial debts would be a forced conversion, following what would be tantamount to an admission by each province asking for aid that it could not meet its obligations and therefore was on the verge of default. But that the four western provinces would already have defaulted if they had not had Dominion aid is an inescapable fact in any event. And there are Eastern provinces whose failure to introduce measures of economy has brought them right up to the threshold of default.

* * *

A THIRD fact is that the conversion would make no attempt to separate domestic and outside holders of provincial bonds. All would be treated alike; and would receive a three per cent guaranteed bond, worth, it is to be supposed, around par, for their present bonds carrying a wide variety of higher coupon rates.

There is a great deal to be said for the plan. Since it will be imposed upon bondholders it smacks somewhat of repudiation. But the alternative is probably outright default or a repudiation of a worse variety. The majority of bondholders are likely to regard it as an earnest effort to do the least unjust or dishonest thing under conditions of genuine stress.

* * *

## Is Dominion Credit Good?

THE implied confidence of the Dominion in its own financial position and credit standing is not shared by all astute observers, certainly not by British and United States commentators on Canada's status. It is said that Mr. Dunning hopes to balance Ottawa's budget within two years by a combination of measures of economy, of increased revenues due to improved trade, and of new taxation. But already the promise of larger relief allowances to the provinces is adding to Ottawa's burdens at a time when they should be decreasing.

It is futile also, to speak of solving Canada's financial problems without first of all discovering the way in which Canadian National Railways deficits are to be extinguished, either by economical operation of that line or by some major operation to put it on a profitable basis.

* * *

THE Financial Post intends no reflection upon the earnestness of purpose of administrative competence of Mr. King and Mr. Dunning when it urges them to give consideration to a proposal previously made in these columns; that an independent commission should be asked to report upon Canada's major financial problems.

It was the May commission in Britain that led the way to budget balancing in that country. A "May commission" for Canada would be able to study the impact of railway deficits, social legislation, public works and ordinary governmental expenditures upon the tax problem and the debt problem. It could suggest far reaching remedies which, because they were the product of a capable and independent, outside commission, would be the more acceptable to the people.

In short such a study and report would strengthen the hands of the government in doing the rather drastic things that will have to be done if we are to ensure the restoration of Canadian credit.

Even the restoration of credit is not all. Canadians have no desire to hold up their credit by being condemned to excessive and belt-tightening taxation over a long term of years. The tax-ridden head of each Canadian family deserves more consideration than any post-war government has given him.

Increased taxation without permanent settlement of our chief problems is merely an added burden on business with no off-setting advantages. A plan that would give assurance of permanent settlement would stimulate business and make increased taxation easier to bear.

* * *

## Our New Constitution Paves Way For Progress

IT IS now assured that Canada's constitution will be domiciled in Ottawa instead of London. The decision of the premiers' conference —all but unanimous—to give Canada power to amend its own constitution, may prove to be the first step toward solution of some of our most difficult political problems. At least it will pave the way for getting rid of extravagant duplication of governmental activities and the consequent duplication of expenditures and taxation. It will permit a national policy to be developed on such matters as agriculture, social legislation and control of industry, where competition between the provinces has produced an almost intolerable situation.

* * *

CHANGING our constitution will make needed reforms possible but it will not produce those reforms. It might conceivably make it possible for much worse policies to be imposed upon the country as a whole. When the B. N. A. Act is domiciled at Ottawa then statesmanship will be greatly needed. Politicians could use the new elasticity in constitutional changes to effect costly and short-sighted moves. Statesmen would use it to solve some major national problems.

The change itself is important but not as important as the manner in which advantage will be taken of it to do constructive work.

## Ontario Power Projects Not Planned, Says Premier

Recent news about Ontario Hydro Electric Commission plans to take power from Quebec power companies is in line with what The Financial Post has been stating as likely in articles published since February, 1935.

The commission is following the same policy it did before the contracts were declared null, void and illegal. It will take what it needs from Gatineau Power Co., with which the first contract was made, and from the others only as demand arises. That later demand may not arise for years.

Premier Hepburn says that as soon as possible, probably by April 1, 1936, the 118,000 horsepower now being taken from Gatineau Power for steam purposes will be discontinued. That will leave 90,000 horsepower still being delivered, or about $1.4 millions net to the company instead of more than $3 millions now.

The premier is quoted as saying that it would be "an economic waste" for Ontario to go into large power projects as long as this Quebec power is unsold. That would indicate the possibility of this power being taken by Ontario at a later date if there is a profitable outlet and if it has not been sold elsewhere in the meantime.

## LARGE BOND ISSUE CITY OF MONTREAL TAKEN UP READILY

From Our Own Correspondent

MONTREAL.—Bank of Montreal heads a large syndicate which made a public offering of nearly $8 millions of City of Montreal bonds. The issue was quickly oversubscribed.

The issue was offered in three parts. The 5-year bonds, amounting to $3,045,000 and carrying a coupon of 3 per cent, were put on the market at $99.08 to yield 3.20 per cent to maturity.

The second lot of 3 per cent bonds, maturing in seven years and totalling $2,459,000, were sold at 97.22 to yield 3.45 per cent.

The 12 year bonds, aggregating $2,381,000 and carrying a 3½ per cent coupon, were sold at 97.13 to yield 3.80 per cent.

The prospectus issued in connection with the offering contains comprehensive comparative figures relating to the city's financial position. One feature of the financial statement is that bank loans as at October 31, 1935, were down to $13,425,000 compared with $33,586,479 on April 30, 1935.

## Ontario Silknit Plan Passed by Shareholders

Ontario Silknit shareholders on December 17 approved the proposals made to them for payment of preferred arrears with 75 cents in cash and the balance of $20.75 a share in income funding rights.

The company paid full dividends of 7 per cent in 1935 on 10,000 preferred shares of $100 par value and $2 a share on arrears as well. As 1935 earnings are understood to be about $3 a share on 40,085 no par value common shares, this plan clears the way for payment of interest on funded rights and common dividends.

A special reserve of $20,000, before common dividends are paid, is also provided for.

The meeting was adjourned to January 17, pending confirmation by the court and granting of supplementary letters patent.

## Great Lakes Power Co. Pays All Pref. Arrears

Holders of seven per cent preferred stock of Great Lakes Power Co. are receiving a Christmas dividend of $4.58 1/3 per share payable Dec. 20. This payment wipes out all arrears of preferred dividends

The regular quarterly dividend of $1.75 per share has also been declared. It is payable Jan. 15, 1936.

## Bank of Nova Scotia Elects H. F. Patterson a Director

H. F. Patterson, general manager of the Bank of Nova Scotia since 1934 has been elected to the board of directors. He joined the bank as a junior in the Campbellton, N.B., branch in 1890.

## Outlook Better For Frost Steel

Increased sales volume resulted in higher profits for Frost Steel and Wire Co. in the year ended Oct. 31, 1935. For the first time since 1930, earnings were sufficient to cover dividends on the company's seven per cent preferred stock.

With a good crop harvested throughout the provinces in which the principal fence business is done, and with a more active demand and better prices prevailing, the outlook for the current fiscal year appears to be further improved, according to Alex L. Page, president. He also points out that the new reciprocal trade agreement, between Canada and the United States, offers opportunities for wider markets for many farm products. Whatever benefits accrue to the agricultural industry should in turn be reflected by an increased demand for the company's products.

## FINDS U. S. BUSINESS MAKING RAPID STRIDES

(Continued from page 1)

going to be entirely retracted. The N.R.A. has been thrown overboard, but voluntarily or otherwise, there still remains a great deal of control.

Appeals against the Roosevelt legislation are now before the Supreme Court. Industry expects the decisions will go against the administration. That being the case Roosevelt's chances of re-election will be considerably diminished.

Whether or not this is the case, Roosevelt, in the opinion of business men here, will continue his crusading work and will introduce new legislation which will conform to the Constitution yet give him the degree of control he wants for the advancement of his social security programme .

Meantime industrial activity throughout the States is rapidly climbing back to the 1931 level and is now about 40 per cent above the low point reached in 1932. The consumer goods industries, such as foods, textiles, paper, leather and tobacco, are back to the 1923-25 level of 100. The automobile group, including petroleum refining and rubber, is within striking distance of the 1928-29 levels, while the iron and steel, lumber and cement industries in the durable goods group have more than doubled production from the 1932 low point.

Residential building has experienced a sharp recovery this year; electric power output is near record figures; car loadings are on the upgrade; while machine tool orders have been steadily climbing.

Reports on industry are highly encouraging and justify the restoration of confidence. In the retail field, reports from all parts of the country indicate a 20 per cent increase in sales to date, with the promise that the Christmas trade will be the largest reported in many years.

## APPROVE LOAN COUNCIL TO PROVIDE 3 P. C. RATE ON BONDS OF PROVINCE

(Continued from page 1)

are likely to be modified somewhat. The major principles upon which any loan council scheme will be based are:

1. No Dominion debt conversion.
2. Control of future borrowings by loan council.
3. Guarantee of the Dominion against loss by providing adequate security in exchange for a guarantee of bonds.

Obviously, amendment of the British North America Act will be necessary to accomplish these things. Since the principle of amendment of the constitution was approved at the conference, however, the loan council scheme will progress, pending decision as to precise methods of revising the B.N.A. Act.

### Tentative Proposals

This is the form of the tentative loan council scheme that is to be discussed:

The council would consist of one representative from each province entering it and one nominee of the Dominion government whose vote would equal the total votes of the provinces represented.

The council would make available to every province that agrees to enter the scheme voluntarily a three per cent rate on its bonds.

### Declaration of Incapacity

To obtain this rate on existing loans, each province undertaking to refinance would have to declare publicly its inability to pay; because without such an admission there would be no justification for offering a reduced coupon rate to present bondholders.

Any province adopting the plan would have to assign to the council, as security for a guarantee, a first lien on its federal subsidy and on some provincial tax, such as income tax or gasoline tax. Such assignment, of course, would require amendment of the B.N.A. Act. There would be no financial sovereignty by the Dominion over the provinces such as Britain has acquired in Newfoundland. The proposed guarantee would have to be secured, but otherwise the provinces would be in full control of their own budgeting, taxing and spending.

### Offer Compensatory

Then an offer of guaranteed three per cent securities would be made to all holders of the subscribing province's bonds. This would be an offer of a superior security, by reason of the loan council's joint guarantee, as compensation for a reduction in coupon rate.

The fact that bonds payable in either sterling or U. S. or Canadian dollars bulk heavily in provincial debt would necessitate extension of the plan to include external as well as internal holders. It has not been possible to distinguish satisfactorily between external and internal holders because nearly all provincial bonds are in bearer form. Also, to ensure success, it would be necessary for all bondholders to accept the offer.

### Provincial Autonomy

British Columbia representatives were among the least willing to subscribe to the principles of the proposed loan council scheme. They and some others felt that it involves surrender of the provincial rights to incur debt in the future.

Some compromise on this point is possible. For instance, provinces subscribing to the loan council scheme may be allowed the right to borrow on their own credit, without guarantee, by selling bonds that would be junior charges to the council-backed issues. Although provinces might not be able to market such secondary bonds readily, it would leave them nominal control over their own borrowings. The aim of such a compromise would be to guard against political embarrassment which some provinces fear may result if they subscribe to any scheme that reduces their right to borrow willy nilly,

### Hepburn Uncertainty

The attitude of the Ontario government under the premiership of Hon. Mitchell F. Hepburn remains the major political uncertainty in the proposed loan council scheme for debt refunding.

It is an open secret that Mr. Hepburn's plan for a forced conversion of all government debt, Dominion, provincial and municipal, at three per cent, was turned down flatly at the Ottawa conference. Mr. Hepburn still favors compulsory bond conversion, but has not given his blessing to the loan council control plan.

It is possible that refusal by Mr. Hepburn's government to approve the loan council scheme would block it entirely. It is also possible, however, depending on the method by which it is decided to amend the B.N.A. Act, that the plan could proceed without unanimous consent of all provinces.

### Ontario Paradox

The position of Ontario in proposing a compulsory conversion of all government debts in Canada at three per cent, but turning the cold shoulder to the proposed loan council scheme, shows a peculiar conflict. One explanation is that credit means little or nothing to the Hepburn administration so that it is not concerned about preserving the federal credit as a foundation for provincial financing To this also is attributed the Hepburn aim to "go the whole hog" and reduce interest on all government bonds and to make the maximum seeming "saving." Another factor is the political rift between Mr. Hepburn and Ottawa; which the Ontario premier can emphasize by blocking the federal scheme for dealing with provincial debts.

Governments of the eight other provinces look askance at Mr. Hepburn, either because they regard him as damaging their credit or because he appears to stand in the way of what they consider a reasonable and logical scheme of debt adjustment. This is the attitude most of them finally took at Ottawa.

So much for the Hepburn problem and the Ontario attitude.

### Eastern Provinces

The four eastern provinces, Prince Edward Island, Nova Scotia, New Brunswick and Quebec are entirely unlikely to take advantage of the loan council scheme. Not one of them would even consider making the necessary declaration of inability to pay to obtain reduction of interest rates. This does not mean, however, that they are opposed to the principles of the scheme for use by other provinces.

The fact that Prince Edward Island recently passed permissive refunding legislation indicates the government's sympathy with the principle of refinancing by legal means at reduced interest rates. Nevertheless, the province cannot be expected to consider admission of inability to pay as the price of refunding at three per cent.

Nova Scotia simply will not consider alteration of its covenants to pay bondholders.

New Brunswick is proud of its willingness to pay, and would hesitate to admit any incapacity.

Quebec already is borrowing at an average rate better than even the Dominion government. It will not consider any form of compromise with its bondholders.

In time, however, all four provinces might decide to take advantage of the facilities of the loan council to market new bonds at the most attractive interest rates.

### Western Attitudes

British Columbia is expected to be one of the first participants in the loan council scheme if it is brought to fruition. The B. C. government has consistently held the view that it should be able to refund its debt at three per cent. The only requisite is some provision in the council scheme that will give the province at least the fiction of control of its own future borrowings. This may be arranged. B. C. representatives who supported the Hepburn compulsory conversion scheme in the Ottawa meeting are now understood to have turned to favoring the loan council plan.

Alberta is of much the same mind as British Columbia. Social credit hardly enters the picture. First, the Aberhart government wants to take advantage of any legitimate scheme for reducing its debt charges.

Saskatchewan and Manitoba would support and participate in debt refunding at three per cent through the proposed loan council.

### The Problem and Relief

Reduction of debt charges of the western provinces by refunding at three per cent would not solve the problem of government finance entirely

The problem is this:

Municipal, provincial and federal governments are spending over $200 millions annually in excess of their revenues. Even a saving on interest charges does not reduce expenditures sufficiently, or raise revenues, so as to prevent the necessity of borrowing to meet the deficits.

The municipalities have made a strong case for their inability to pay the cost of unemployment relief. It is agreed widely that they cannot tax real property any further without virtual confiscation. Under enlarged relief grants to provinces by the Dominion the municipalities will have part of their burden removed.

### Provinces' Tax Desires

Assumption by the Dominion of a greater portion of the cost of relief (on which the nation's annual expenditure is running close to $100 millions) combined with savings on debt charges, would bring the provinces closer to balancing their budgets. Still, the provincial authorities, particularly in western provinces, say this does not solve their budget problems. Hence, at Ottawa the provinces made claims for wider powers of taxation. They wanted to acquire the sole right to tax incomes; or to receive a portion of the federal sales tax as special revenue to cover the cost of unemployment relief.

The provinces were partially successful in their claims in that they are to get substantial increases in grants to cover relief costs. This, however, will be partly passed on to municipalities.

### Tax Co-operation

Another point of agreement was that the Dominion would co-operate with provinces in collecting taxes where both federal and provincial jurisdictions levy the same type of tax. This is particularly helpful to Ontario which is about to impose an income tax probably based on federal income tax levies in the province.

An important decision was to attempt to amend the B.N.A. Act to define the rights of provinces to levy particular taxes, such as income tax, which provinces may wish to impose.

The decisions of the conference with regard to government finances, amount to steps toward a partial solution of the problem of government deficits and insolvencies. Unanimity was obtained on the necessity of reducing government costs to a minimum. It was recognized that the fundamental solution of the deficit problem, however, is an increase in the national income so that present taxation would produce more revenue, bringing budgets into balance and halting the growth of government debts.

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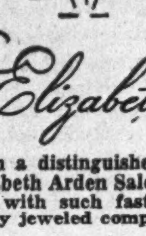

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## Provinces Could Save $30 Millions at 3 p. c.

The Financial Post is informed that Dominion government bonds would be excluded from conversion at lower rates of interest under the loan council plan which is still under active consideration by the ten Canadian governments. The following tabulation, however, shows the annual savings in interest charges in refinancing, at three per cent for both the Dominion and the provinces, for comparative purposes.

Although all nine provinces would not enter a loan council to refinance their bonds at three per cent, maximum annual savings in interest charges on all outstanding provincial debt would be close to $30 millions.

Compilation of gross debt and total annual interest charges, with the possible saving at three per cent, follows:

| Debtor: | Date | Gross debt $ | Avge. int. rate % | Approx. yearly int. (in $000,000's) | Annual saving at 3% (in $000,000's) |
|---|---|---|---|---|---|
| Dominion | Mar. 31, 1935 | 3,066,246,550 | 4.00 | 122.6 | 30.6 |
| C. N. Railway | Dec. 31, 1934 | 1,246,330,439 | 4.48 | 55.8 | 18.4 |
| Totals — Dominion | | | | 178.4 | 49.0 |
| Provinces: | | | | | |
| Ontario | July 31, 1935 | *662,732,911 | 4.92 | 32.6 | 13.7 |
| Saskatchewan | June 30, 1935 | 178,185,827 | 5.18 | 9.2 | 3.9 |
| Alberta | June 30, 1935 | 165,292,906 | 5.25 | 8.7 | 3.7 |
| British Columbia | Nov. 1, 1934 | 169,902,872 | 4.66 | 7.9 | 2.8 |
| Manitoba | Aug. 1, 1935 | 123,834,783 | 4.67 | 5.8 | 2.1 |
| Quebec | Dec. 31, 1934 | 162,413,732 | 3.97 | 6.4 | 1.6 |
| Nova Scotia | Sept. 30, 1934 | 73,476,013 | 4.38 | 3.2 | 1.0 |
| New Brunswick | Feb. 21, 1935 | 65,437,920 | 4.74 | 3.1 | .9 |
| P. E. Island | Dec. 31, 1934 | 4,554,000 | 4.75 | .2 | .08 |
| Totals — Provinces | | | | 77.1 | 29.8 |
| Grand totals | | | | 255.5 | 78.8 |

*$25,000,000 deducted as allowance for savings office deposits.

# See Hepburn Leading Radical Liberal Group

## Differs Widely on Financial Policies Advocated by King

Out of the Dominion-provincial conference emerged, full fledged, a left wing, radical Liberal party with Premier Mitchell Hepburn of Ontario in undisputed leadership.

While there was nothing on the conference agenda about new parties or old, this development may well be one of major importance to Canadian politics, business and investment.

**Two Camps Seen**

Through the five days of conference sittings, it was apparent that the assembled statesmen were dividing themselves into two camps. An ever widening fissure ran through the human element of the conference leaving the orthodox on the one side and the radicals on the other. When the conference closed the gap between appeared unbridged.

Hon. M. F. Hepburn

Mr. Hepburn, so far as the conference went, out-radicalled even the redoubtable Mayor G. G. McGeer of Vancouver. He proposed a compulsory conversion of governmental debt at 3 per cent, and this proposal, acting like a powerful magnet, attracted to him all the inflationary, easy money, to-blazes-with-credit politicians among those present.

Mr. Hepburn without doubt drew support from within the King ministry and from several of the provincial delegations. At the close of the conference he was the acknowledged leader of a small group, a relatively unimportant minority of the delegates, but a group which may grow to unexpected proportions in coming months.

**A Liberal Stevens**

He was at pains to make it plain to Ottawa and the other provinces that the Liberal party holds an incipient Harry Stevens. He left Ottawa, on short notice, having gone through all the preliminaries essential to more or less open revolt against the federal party. He is now free to essay the rôle of a Liberal Stevens, against Mr. King's performance as the safe and sound, orthodox statesman.

One factor alone cautions reserve in making the prediction that Mr. Hepburn will declare open war upon the King government and it is not his impending retirement. The feeling at Ottawa after the conference is that Mr. Hepburn is in the game of politics until dismissed in the usual way—by the electors. The one qualification is the miraculous manner in which public men can tear at each other's throats one week and join forces the next.

**Breach Open**

In politics, policies as well as personal relations are invariably dictated by expediency and, with many peacemakers shuttling to and fro between Ottawa and Toronto endeavoring to weave a pattern of perfect harmony, it would be unwise to say that the breach cannot be closed. To date, however, the best efforts have been useless. Certainly Ottawa's gesture of goodwill in the appointment to the Senate of Frank P. O'Connor, Hepburn intimate, has been unavailiing.

Mr. Hepburn swept into Ottawa on the eve of the conference with an air of truculence and impatience. There were chips on both shoulders. As the days passed he searched not unsuccessfully for trouble, taking time out to lunch with Mr. King, and he departed apparently without warning, and without caring to cancel a dinner engagement at Laurier House, Mr. King's official residence, Friday evening, Dec. 13.

**Mr. King Off Guard**

There was about his performance throughout the week a fine disregard for the usual amenities of social etiquette as practised at Ottawa.

Friday afternoon, Mr. King was caught off guard by the suddenness of events. When asked if Mr. Hepburn had ignored the closing session of the conference and returned to Toronto, Mr. King was betrayed into an exclamation of impatience and annoyance. "What nonsense," he is reported by the Montreal Gazette to have said. "Mr. Hepburn had accepted an invitation to dine with me at Laurier House tonight, and I understand he was not able to be present at this afternoon's meeting because he was not feeling well." Mr Hepburn's indisposition is also cited as his reason for not attending the Governor-General's dinner for premiers only.

**Successful Recruiting**

If Premier Hepburn came to Ottawa to launch a left-wing movement in the Liberal party, undoubtedly he achieved success. No better opportunity could have been found, for the reason that at the Dominion-provincial conference were assembled the leading Liberals from all sections. Mr. Hepburn deliberately or otherwise attracted to himself people who are like-minded. He is now the spokesman for elements of the party in all the provinces. Here he might win a provincial premier, there a minor cabinet minister. But it is true that a great deal of work remains to be done before this new "ginger" group can exert much influence on public policy.

On this score, the developments during the week were extremely interesting. Mr. Hepburn exerted a powerful attraction over British Columbia's delegation. To some extent, possibly, he is not without admirers in the Social Credit administration in Alberta. He failed to score in Saskatchewan or Manitoba or Quebec. And it would be easy to exaggerate his appeal to the Maritimers. Much the same picture holds true in the Dominion cabinet, save that Mr. Hepburn definitely is not a king-pin with the Ontario members.

**Radicalism and Pique**

Now that the dispute is more or less out in the open, many observers are enquiring into the root causes. The answer given by those who should know best is that Mr. Hepburn's revolt is the result of a belief that the King government, as constituted, is too orthodox in its economic views and, also, is due to personal pique for which there is some justification. Mr. Hepburn, as his administration in Ontario proves, is a radical.

The Ottawa government shows no disposition toward radicalism. As for personal pique, Mr. Hepburn did his part at great expense of energy and time, to elect Mr. King to office and it would appear that Mr. King not only failed to consult him with respect to the formation of the government but omitted from the roster of ministers the very men whom Mr. Hepburn regarded as his closest personal friends and as most eminently fitted for cabinet rank. If Mr. Hepburn has come to believe that the King government has put a big black X against his name, there is evidence to justify such a belief.

**Little in Common**

In addition to these sources of discord, it is equally true — as the proceedings at the conference showed — that Mr. Hepburn, temperamentally and politically, has little in common with some of the leading members of the King government. It was little short of startling how Mr. Hepburn and Hon. C. A. Dunning contrived to become the personification of different schools of thought. Particularly was this the case with the Hepburn proposal for conversion of debt.

Hon. C. A. Dunning

In one thing Mr. Hepburn proved his astuteness as a political tactician. If there is to be trouble, it will not come as between Ontario and the Dominion. This is not going to be a Toronto-Ottawa row. It will come from within the Liberal party and in the form of a radical wing. So far Mr. Hepburn has overlooked no bets and if the trial of strength comes, three or four years hence, he will not be like Mr. Stevens, a lone voice in the wilderness.

# Relief Grants For Provinces $36 Millions

## Gain of $15 Millions Largely Substitution for Former Loans

### AID MUNICIPALITIES

### Payments Recognized as Stop Gap Pending Deeper Investigation of Employment and Relief

**By STAFF WRITER**

OTTAWA.—Substantial increases in the Dominion's monthly cash grants to provinces for unemployment relief will commence by January at the latest as a result of the Dominion-provincial conference last week.

The increases are to range from 50 to 100 per cent of present grants, each province to negotiate separately with the federal authorities for its individual increase.

Monthly grants that now amount to about $21 millions annually will be raised to about $36 millions by the new arrangement. The anticipated increase of $15 millions is 70 per cent of present grants.

**Give Instead of Lend**

Grants to the four western provinces are expected to be increased in the greatest proportions; first, because they have the greatest need, and second, because it will transform the previous policy of lending to one of giving relief funds.

This does not represent any new drain on the federal treasury with respect to the western governments, but is recognition that former relief loans were really grants and may never be collected.

These grants for relief purposes are not to be confused with loans to the provinces to enable them to meet debts and to keep from defaulting on their bonds.

**Division of Spoils**

Of the probable increase of $15 millions annually, about half is expected to go to western provinces. The remaining $7.5 millions increase will be divided among the five eastern provinces, Ontario, Quebec, Nova Scotia, New Brunswick and Prince Edward Island. Ontario is now receiving grants of $600,000 monthly, and despite, or because of, its high relief costs is expected to get the lion's share of the increase.

The grant system, however, is now definitely recognized as a stop-gap, pending completion of plans for dealing with basic phases of the problems of unemployment and relief.

One advantage seen in continuation of monthly grants is that it impels the provinces to reduce the cost of relief so as to make their grants go as far as possible. It is expected that the provinces will pass on most, if not all, of their increases as aid to municipalities many of which have reached the end of their resources in paying relief costs.

Outside the increase in grants, the major decision on relief at the premiers' conference was adoption of a policy of responsibility for relief administration.

**Plans For Future**

It was decided that relief for "unemployables" should be the responsibility of provinces and municipal authorities; that the Dominion should confine its relief services to provision, in co-operation with provinces and municipalities, for unemployed persons who are capable of working.

Resolutions adopted at the conference provide for establishment of a Dominion commission on employment and relief; registration throughout Canada of relief recipients as (1) unemployed; (2) unemployable; (3) farm and other relief recipients.

Among other important contributions to solution of the relief problem, it was decided to aim at devising plans for year-'round employment by industries of essential quotas of employees; and at adoption of an apprenticeship system for youth.

# NIAGARA WIRE TO PAY $1 ON COMMON STOCK

## Brings Total Disbursements for 1935 to $2 Per Share

Niagara Wire Weaving Co. has declared a special dividend of $1 per share on its common stock, payable Dec. 31 to shareholders of record Dec. 19. This is the second disbursement of $1 per share to be made on the common stock this year.

Declaration of $1 per share at this time indicates that the company's earnings have continued at a substantial level in the current year. In the year ended March 31 last, profits were reported of $2.08 on the common stock after providing for the regular preference dividend of $3 a share and arrears of $1.50 per share. With arrears of dividend on the preferred stock wiped out the company has been in a position to make larger disbursements to common shareholders.

The company is a large producer of fourdrinier wires, which are essential for the manufacture of newsprint. Demand for this product has shown improvement.

# Annual Salaries Shown With Stock Transactions Of Walker's Executives

## President Gets $30,450 and Chairman $20,450

### $22 MILLIONS RAISED

### Share Trading in Walker's Shows Little Change in Officials' Holdings in 1934-5

The chairman, president and largest director-shareholders of Hiram Walker-Gooderham Worts, in the year following August 31, 1934, did not substantially change their total holdings of the company's stocks, according to a table submitted to the Federal Securities and Exchange Commission at Washington, D.C., in connection with the recent sale of $8 millions debentures.

The following table shows the comparative amounts held by directors and officers on the two dates:

**Shares Held by Board Members**

| | | Aug. 31 1935 | Aug. 31 1934 |
|---|---|---|---|
| H. C. Hatch, ..... | com. | 19,793 | 19,793 |
| Chm. of bd. .... | pref. | 3,000 | 3,000 |
| W. J. Hume, ..... | com. | 24,660½ | 24,660½ |
| Pres. & dir. .... | pref. | 175 | 175 |
| E. D. Gooderham,. | com. | 750 | 750 |
| V.-P. & dir. .... | pref. | 500 | 500 |
| F. K. Morrow, ... | com. | ... | 2,500 |
| Director ....... | pref. | 276 | 276 |
| Duncan Macleod,. | com. | 799 | 799 |
| Director ....... | pref. | 1 | 224 |
| L. M. McCarthy, . | com. | 600 | 500 |
| Director ....... | pref. | 200 | ... |
| J. F. Lash, ...... | com. | 1,800 | 1,800 |
| Director ....... | pref. | 63½ | 63½ |
| W. S. Rainer, Dir. | com. | 5 | 5 |
| H. F. Willkie, Dir. | com. | 1 | 1 |
| Geo. T. Chisholm, Dir. ........... | com. | 400 | 325 |
| Fletcher Ruark, Sec.-treas. ..... | com. | 300 | 300 |
| W. G. Cook, ...... | com. | 50 | 50 |
| Asst. sec. ...... | pref. | ... | 50 |
| H. O. Comrie-Palmer, | com. | 40 | 40 |
| Comp. & asst. tr. | pref. | 40 | 40 |

It will be seen that F. K. Morrow sold his common stock but retained his preferred stock, whereas Duncan Macleod and W. G. Cook sold their preferred but retained their common stocks. L. M. McCarthy bought preferred stock and increased his common holdings. Geo. T. Chisholm increased his common. Other holdings were undisturbed.

Hiram Walker-Gooderham & Worts now owns all 25,000 common shares of Hiram Walker & Sons Distilleries, Inc. The three management preference shares were converted into common stock on October 22, 1935.

Details of remuneration given directors and chief officers follow:

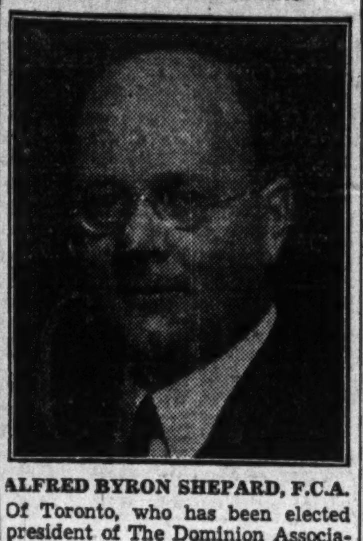
**Paid to Directors, Officers**

| Total, Year ended Aug. 31, 1935 | |
|---|---|
| H. C. Hatch, chm. of board & dir. | $20,450 |
| W. J. Hume, pres. & dir. ......... | 30,450 |
| E. D. Gooderham, vice-pres. & dir. | 5,450 |
| W. S. Rainer as director of H. W. and treasurer and general credit manager of certain subsid. cos. | 12,450 |
| H. F. Willkie, as director of H. W. and v.-p. H. W. & Sons, Inc. | 19,783 |
| W. E. Hull as v.-p. do. | 50,000 |
| Fletcher Ruark as sec. & tr. H. W. | 11,500 |
| Six directors not mentioned, each | 450 |
| Six officers unnamed, total ...... | 54,083 |

**$7,500 For Burns**

Hiram Walker & Sons Grain Corp. has also agreed with Berend J. Burns, its manager, under date of September 1, 1935, to pay him $7,500 a year plus a commission of 10 per cent of net profits. He is to get only ordinary brokerage rates on sales or purchases made at the instance of Hiram Walker & Sons, Inc., Peoria, Ill., Hiram Walker & Sons, Walkerville, and Gooderham & Worts, Toronto.

**Heads Accountants**



ALFRED BYRON SHEPARD, F.C.A.

Of Toronto, who has been elected president of The Dominion Association of Chartered Accountants to fill the vacancy caused by the death of Harvey Edward Guilfoyle. Mr. Shepard has been chairman of the finance committee since 1934.

# CORRUGATED BOX TO FUND ARREARS PREF. DIVIDENDS

## Dividend Funding Rights Proposed — Meeting Jan. 14

A proposal to wipe out arrears of dividends on the seven per cent preferred stock of Corrugated Paper Box Co. through the issue of funding certificates is to be submitted to shareholders on Jan. 14 next.

In a letter sent out to shareholders, details of the proposal drafted by a committee of preference shareholders in consultation with the board of directors are released for the first time. Provision is made for the funding of arrears amounting to $33.25 per share by an issue of 7,857 dividend funding rights. Each preference share shall entitle the holder to one right. Certificates are to be non-interest bearing.

**Sinking Fund Provided**

Provision for redemption of the certificates is made in the setting up of a sinking fund. When net earnings in any year are not less than $45,000, the company is to be obligated to set aside before March 31 of the next year, 50 per cent of the surplus for the year or $10,000 whichever is greater.

Provided net current assets are not reduced below $260,000 and that sinking fund and dividends on the preference stock are not in arrears, the company may at any time, out of surplus available for dividends, redeem by purchase in the open market, the whole or any of the dividend funding rights outstanding at not more than $33.25 each. In case of liquidation, the rights shall carry a preference of $33.25 after all payments to preference shareholders.

**Reasons For Proposal**

In sending the proposal to shareholders, J. A. Whealy, vice-president, and secretary, states that for some time past a number of preference shareholders and directors of the company have felt that the existence of substantial arrears on preference shares constituted an obstacle in the way of shareholders dealing with and realizing upon their shares. It also hampered the company in regard to dividend policy and in respect to redemption of stock. For this reason the proposal for wiping out of arrears is made.

In the current year, earnings are reported satisfactory.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THE FINANCIAL POST

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# ADVERTISING JUMPS DURING NOVEMBER

## Automotive Trade Shows Up Strongly — General Group Coming Back

**From Our Own Correspondent**

MONTREAL. — Aided by a November flood of automotive advertising, reflecting the new winter programme of the automobile manufacturers, but aided also by a strong comeback of general advertising, newspaper advertising linage in 52 of the principal United States cities amounted to 117 million lines last month as against 106 million lines a year ago, according to figures compiled by Media Records Inc. and published by Editor and Publisher.

Both display and classified linage recorded increases. The former at 97.9 million lines compared with 89.5 million lines a year ago, while the latter at 19.6 million lines was up nearly 2.3 million lines over November, 1934.

**All Groups Gain**

All classifications showed increases, particularly automotive and financial, the latter doubling last year's figures.

Total linage for the first eleven months of the current year is 5.5 per cent ahead of the 1934 levels, but 5.8 per cent behind the five-year average.

# Fanny Farmer Sales Continue Year's Gains

Sales of Fanny Farmer Candy Shops in November were $417,896, compared with $352,627 in November, 1934. Sales for the 11 months ended November 30 were $3,974,138, compared with $3,367,042 in the same period of 1934. The increase is $606,096, or 18 per cent.

# Jamaica Public Service Stock Offered at Market

**From Our Own Correspondent**

MONTREAL.—Greenshields and Co. are offering a small block of Jamaica Public Service Ltd. common stock, at a price not to exceed $33.25 a share, which returns a yield of about 4½ per cent. This does not represent additional financing by the company.

In the covering circular particulars are given of the company's set up and earnings, the figures covering the twelve months ended October, 1935. During this period the company earned $2.23 a share on the common, as against $1.72 a share in the preceding year.

# Great Lakes Opposition "Very, Very Substantial"

"Very, very substantial" blocks of bonds will be represented in the Supreme Court of Ontario on Dec. 20 in opposition to the judicial sale of assets of Great Lakes Paper Co., according to a reliable informant. This is taken to indicate that the amount of bonds in opposition will be greater than has been anticipated.

The province of Ontario will voice its opposition in court through Daniel Lang, K.C.

National Trust Co., receiver for Great Lakes Paper Co., will present the judicial sale of assets for the court's consideration in accordance with terms arranged with John E. Gefaell and Lynn E. Aldrich. The deal was approved by vote of bondholders on Oct. 15. Under amendments to the Ontario Judicature Act, 1935, the court is given discretion to pass upon judicial sale of the assets.

Some 77 per cent of bonds represented on Oct. 15 favored the deal, but the vote in favor represented less than 50 per cent of the total bond issue of $10 millions.

It is understood that opponents of the Gefaell-Aldrich deal will suggest to the court the alternative of the revised bid of the newsprint industry. There is no confirmation of the report that the bondholders' committee will ask the court to consider any other bid than the Gefaell-Aldrich offer as approved on Oct. 15 by bondholders. The view of the receiver and of the bondholders' committee has been that they have no legal authority to submit any other bid than the one approved by bondholders.

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In some provinces a small legal documentary fee is required.

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Drive a 1936 Chrysler. See if you won't be money ahead by investing a few extra dollars to get all the advantages of stepping into the fine-car class!

★ 1936 CHRYSLER SIX . . . 93 horsepower, 118-inch wheelbase. Five body types.

★ NEW CHRYSLER DE LUXE EIGHT . . . 105 and 110 horsepower, 121 and 133-inch wheelbase. Four body types.

★ CHRYSLER AIRFLOW EIGHT . . . 115 horsepower, 123-inch wheelbase. Six-passenger Sedan.

★ CHRYSLER AIRFLOW IMPERIAL . . . 130 horsepower, 128-inch wheelbase. Six-passenger Sedan.

# Investment Trends —

## *Measuring Recession of Stocks*

• • • •

## *Latent Demand Hopeful*

Pre-Christmas inactivity and a tendency to softness in prices for common stocks was hardly unexpected. In January, large first-of-year dividend and interest payments will be an underlying influence for firmness in the better quality stocks and bonds.

It is noteworthy that in the decline of share prices this month volume has been comparatively small. In that this indicates an absence of important liquidation, it is a sign of basic strength in stock markets. Prices have been in a short-term rising trend since March, 1935, and it was hardly to be expected that some recession could be avoided.

It is still felt by leading investment advisory services that further temporary recession to approximately the levels of last September will be in order sooner or later. It is expected, however, that higher peak prices than those for 1935 will be attained some time in 1936.

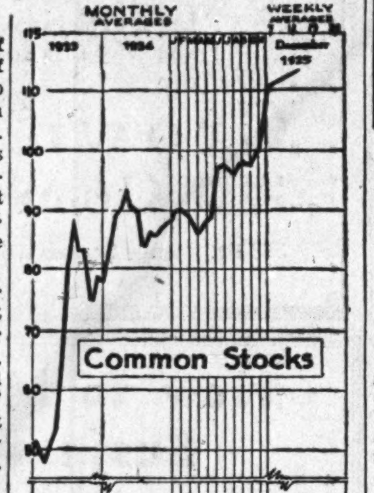
### *The Downward Movement*

THE downward movement of stock prices in the first half of this month is attributed largely to the fact that quotations have been advancing steadily since last March. If the disturbance in silver markets and the bickering over Italo-Ethiopian peace terms had not brought some decline of stock prices, something else would eventually have done so.

The important aspect of the decline is that it is not what the chart readers term a full reaction. In order to consolidate the 1935 rise of prices, some further decline is considered necessary. Based on chart readers' figures, the minimum levels that are likely to be reached on any short-term slump are noted approximately as follows:

| | 1935 High | This week | Possible near-term low |
|---|---|---|---|
| Toronto industrials | 129.85 | 126 | 113 |
| Montreal indust... | 69.1 | 67 | 61 |
| N. Y. (Dow-Jones) indus. | 148.4 | 140 | 130 |
| N. Y. (Dow-Jones) rails | 41.8 | 40 | 33 |

It must be noted that the decline has been important this month and that a substantial rise may come before the anticipated reaction.




Another sharp rise in prices for common stocks is recorded in the Dominion Bureau index for the week ended December 12. Subsequently, there has been a considerable decline, which, however, is not yet reflected in the graph. Comparative indices appear on this page.

The indications are favorable for the Dominion's income next year.

Even though metal prices rise no further, the mining industry should have at least as good a year in 1936 as in 1935, on the basis of current quotations for gold, copper, lead and zinc. Silver's slump is not a body blow.

Forest industries are going ahead with rising demand for newsprint, prospects of increased timber sales in the United States, and the high level of sterling exchange.

Fisheries hardly hold hopes of major improvement, but may do as well in 1936 as in 1935.

Prospects for increased farm income appear bright. The wheat situation in particular appears healthier than for several years.

If the hopes of primary industries are borne out next year, it will mean more earnings and dividends for the investor. It must be reiterated that a vital factor in all these industries is the discount on Canadian currency. The discount appears eminently helpful in sustaining prices, and fortunately shows no signs of decreasing.

• • •

### *Factors Favoring Rise*

LONGER-TERM investors would do well to bear in mind that basic factors point toward eventual improvement on recent share prices, particularly for companies in heavy industries and building. Some of the reasons are summarized below:

There has been abnormal deterioration of equipment in the depression period and replacements are essential.

Obsolescence has created markets for new goods.

House-building has lagged far behind normal demand.

Money has been made plentiful at low interest rates.

Economic recovery to date has been concentrated largely in consumption goods: food, clothing, fuel and things that are consumed or worn out quickly. In time, demand should arise for new factories, buildings, machinery, houses and so on. This would be indicated by expansion of mortgage loans, corporation security issues and continued distribution of increased earnings. Confidence in improving business and higher income is expected to bring about expansion of the recovery movement by extending it to firms producing durable goods.

• • •

### *Companies Acts*

FEW investors are likely to realize the progress indicated by the decision at the Dominion-provincial conference to work on plans to make Canada's 10 companies' acts uniform. Many, however, have noted the improvement in the amount of information made available by corporations as a result of reform of the Dominion Companies Act. This advance now appears likely to be extended eventually to provincial acts. It will make Canada safer for the investor.

• • •

### *Back to the Farm*

TOO often the Canadian urban dweller overlooks the fact that his welfare is dependent on farm, forest, mine and fishery. The sudden rise in wheat and sale of millions of bushels abroad reminds him of the gold in grain. The year's results in the great basic industries, and the prospects for 1936, are improved.

### Significant Investors' Index Numbers

1926 = 100

| No. of Securities | Iron and steel 15 | Pulp and paper 6 | Milling 4 | Oils 4 | Textiles and clothing 10 | Food and allied products 19 | Beverages 8 | Total industrials 87 | Total utilities 20 | Total co's. 112 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1929-34:* | | | | | | | | | | |
| High ......... | 383.8 | 118.2 | 267.4 | 416.8 | 110.1 | 193.8 | 241.9 | 311.0 | 163.6 | 235.4 |
| Low ......... | | 36.8 | 1.4 | 34.9 | 78.3 | 68.5 | 27.3 | 44.0 | 30.5 | 38.6 |
| Monthly Figures, 1935: | | | | | | | | | | |
| January ...... | 129.4 | 14.0 | 71.5 | 181.5 | 75.8 | 134.2 | 106.8 | 129.7 | 50.4 | 90.5 |
| February ..... | 126.4 | 13.4 | 67.4 | 197.7 | 75.6 | 131.3 | 108.1 | 128.8 | 49.4 | 89.6 |
| March ........ | 117.0 | 11.6 | 56.0 | 176.0 | 74.1 | 126.5 | 101.6 | 125.6 | 45.1 | 86.1 |
| April ........ | 119.4 | 11.1 | 56.9 | 178.6 | 73.1 | 125.1 | 99.6 | 130.8 | 43.8 | 88.5 |
| May .......... | 121.9 | 10.8 | 59.9 | 211.7 | 70.3 | 127.8 | 102.4 | 144.4 | 44.4 | 96.8 |
| June ......... | 118.6 | 10.5 | 58.4 | 217.9 | 67.2 | 127.0 | 104.7 | 145.2 | 45.0 | 97.1 |
| July ......... | 122.2 | 10.6 | 57.4 | 210.6 | 66.7 | 128.5 | 116.7 | 143.8 | 44.7 | 95.5 |
| August ....... | 122.1 | 12.0 | 59.3 | 210.0 | 65.5 | 130.1 | 122.9 | 146.1 | 47.7 | 98.2 |
| September .... | 118.7 | 12.4 | 61.2 | 206.6 | 61.8 | 128.7 | 126.5 | 147.1 | 46.3 | 97.5 |
| October ...... | 123.0 | 12.6 | 60.9 | 215.1 | 63.5 | 134.4 | 133.2 | 152.9 | 45.6 | 100.0 |
| November .... | 127.8 | 14.6 | 66.9 | 228.7 | 69.0 | 145.7 | 157.3 | 170.3 | 50.9 | 110.4 |
| Weekly Figures, 1935: | | | | | | | | | | |
| Dec. 5 ....... | 124.6 | 15.0 | 75.4 | 215.0 | 69.4 | 147.9 | 161.7 | 175.6 | 50.9 | 111.4 |
| Dec. 12 ...... | 126.3 | 15.5 | 75.0 | 215.8 | 70.5 | 148.5 | 165.4 | 180.5 | 50.5 | 113.3 |

*High and low of years from 1929 to 1934 inclusive are based on weekly figures Compiled from figures issued by Dominion Bureau of Statistics.

**Toronto Stock Exchange Index**

| | 20 Indus. | 20 Golds | 20 Misc. Mines |
|---|---|---|---|
| Dec. 17 ...... | 126.04 | 116.16 | 117.51 |
| Dec. 16 ...... | 125.39 | 116.06 | 117.23 |
| Dec. 14 ...... | 127.51 | 117.83 | 119.43 |
| Dec. 13 ...... | 127.33 | 118.92 | 118.37 |
| Dec. 12 ...... | 127.59 | 120.26 | 121.33 |
| Dec. 11 ...... | 128.67 | 120.16 | 124.10 |
| Month ago .. | 127.89 | 106.68 | 103.24 |
| Year ago ... | 100.43 | 112.11 | 80.96 |
| High, 1935 .. | 129.85 | 123.68 | 130.79 |
| Low, 1935 ... | 97.90 | 96.70 | 80.83 |

**Montreal Averages**

| | 10 Util. | 20 Indus. | 30 Comb'd |
|---|---|---|---|
| Dec. 17 ........ | 65.3 | 67.0 | 66.4 |
| Dec. 16 ........ | 64.7 | 66.8 | 66.1 |
| Dec. 14 ........ | 65.0 | 67.9 | 66.9 |
| Dec. 13 ........ | 65.1 | 67.5 | 66.7 |
| Dec. 12 ........ | 65.4 | 68.2 | 67.3 |
| Dec. 11 ........ | 65.5 | 69.1 | 67.9 |
| Month ago ..... | 69.0 | 65.4 | 66.6 |
| Year ago ....... | 59.1 | 58.1 | 58.4 |
| High, 1935 ..... | 69.6 | 69.1 | 67.9 |
| Low, 1935 ...... | 56.1 | 54.8 | 56.1 |

Government, Municipal, Public Utility and Industrial Bonds

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## Smelters Dividend Helps C.P.R. Income

**From Our Own Correspondent**

MONTREAL.—Special income of the Canadian Pacific Railway for 1935 should show up well in view of the cash dividend paid by its subsidiary, Consolidated Mining and Smelting Co. of Canada.

Smelters will pay this year $2.50 in regular disbursements and $4 as an extra dividend. As the Canadian Pacific owns 336,500 shares of Smelters, equivalent to 51.6 per cent of the total outstanding issue, the company will receive $2,187,250 in dividends from this subsidiary.

The importance of Smelters as a source of revenue to the Canadian Pacific Railway, aside from traffic, is seen in the fact that revenue from railway operations in 1934 amounted to approximately $24.4 millions. Dividends received from Smelters for 1935 are equivalent to about one-twelfth of the total railway operating revenue last year.

## BUILD PLANTS TO SAVE FREIGHT FOR CANADA DRY

R. W. Moore, president and general manager Canada Dry Ginger Ale, Inc., indicates that the company's policy is now to build plants in United States markets where local competition has been most effective. It is expected that this will eliminate some freight and other charges and make possible a more balanced consumer price. Two plants have already been authorized for the southern states. In all of the areas served by the new plants, the market will be worked by direct delivery to the trade.

Many months ago The Financial Post pointed out the likelihood of such a move due to the fact that local bottlers and makers of ginger ale all over the continent have been able to cut into the demand created for the advertised brands such as Canada Dry.

Mr. Moore reports sales of spirituous liquors sold by the company to be increasing. This was particularly true, it is stated, with Johnnie Walker Scotch whiskies, Cinzano vermouth—both Italian and French—and Canada Dry gin. New contacts have been made to extend this end of the business. Sparkling water sales are reported up 16.5 per cent, this product being much in request as a mixer for alcoholic beverages. No liquor is sold in Canada.

**Beer Sales Unprofitable**

The company's venture into the beer business has not been profitable. Canada Dry assumed the obligation to advertise and market the whole brewery output of Hupfel Brewing Corp.

The losses were so excessive and the future so uncertain that the company tried to get a change in the contract. Now Canada Dry is relieved from all financial obligation with re ard to the company and from any obligation to market draught beer. The sale of bottled beer and ale is stated to be improving and the company maintains its exclusive agency for that.

Value of land, buildings, plant and other property increased in the year by $826,599 to $4.7 millions. This will probably be further increased as the company follows out its policy of establishing a number of plants to cut down freight costs. Dividends on common stock have been dropped in the meantime for this reason. Earning figures elsewhere on this page.

## Vancouver Western Drug Gain in Sales Continues

Improvement in the business of Vancouver Western Drug Co. noted in the year ended May 31 last, has continued into the current fiscal period, according to an announcement by Dr. G. H. Worthington, president and general manager, at the annual meeting of shareholders recently.

The gain in business is attributed in part to better general conditions, but in a larger degree to success of the company in expanding its manufacturing activities and in arranging new market outlets. The company has 21 retail outlets.

# *Company Earnings Reports*

## Granite Club

Slightly higher profits are reported by Granite Club Ltd. for the year ended Oct. 31 last, operating profit amounting to $37,357 compared with $35,847 in the previous year.

During the year all the company's first mortgage bonds were redeemed, being replaced by a first mortgage of $225,000 with the Canada Life Assurance Co. at a reduced rate of interest. Second mortgage bonds to the amount of $21,500 were also redeemed. This leaves the club with a mortgage indebtedness of $309,500 compared with $324,900 in 1934.

Expenditures for renewals and replacements during the year amounted to $10,223.

**Income and Surplus Account**
**Years Ended Oct. 31**

| | 1935 $ | 1934 $ |
|---|---|---|
| Operating profit ....... | 37,357 | 35,847 |
| Less: Bond & mtge. int. | 19,644 | 22,187 |
| Depreciation ......... | 12,000 | 12,000 |
| Reserve fund ......... | 5,000 | 1,000 |
| Surplus for year ....... | 713 | 660 |
| Add prev. surplus ..... | 26,503 | 25,843 |
| Balance carried forward | 27,216 | 26,503 |

## Can. Public Service.

Profits of Canadian Public Service Corp. available for preferred dividends in the year ended June 30, 1935, were $79,590, after all deductions, according to the new report. This is qualified in important respects in the auditors' report and by the new president Brig.-Gen J. A. Clark, K.C., Vancouver. It is pointed out that 1934 income tax has not all been provided for; that government grants should not have been distributed; that provision for depreciation should have been greater. Dividends on the preferred shares at 6½ per cent require earnings of $70,460 annually. Payments have been stopped to allow the company to build up working capital and to pay for maintenance and sinking fund.

Because results of a new subsidiary, Nanaimo-Duncan Utilities, appear in the Canadian Public Service Corp. statement for the first time, and due also to changes in the financial statement, no comparison of earnings is made in the following income account:

**Consolidated Profit and Loss Account**
**Year Ending June 30, 1935**

| | $ |
|---|---|
| Revenue ................... | 605,924 |
| Less: Oper. expenses ......... | 271,703 |
| Depreciation ................ | 43,216 |
| Operating profit ............... | 291,005 |
| Add: Other income ............ | 4,558 |
| | 295,563 |
| Less: Int. on funded debt ...... | 164,241 |
| Exchange, etc. ............... | 255 |
| Debt disc. & expense ......... | 7,460 |
| Inc. tax Nanaimo-Dun. Util. | 12,793 |
| Prov. for contingencies ...... | 2,057 |
| Profit ........................ | 108,757 |
| Less: Earn. of minority int. ... | 29,167 |
| | 79,590 |
| Less: Preferred dividends ...... | 58,423 |
| Surplus for year ............. | 21,167 |
| Add previous surplus .......... | 125 |
| Less: inc. taxes for '33-34 ..... | 15,933 |
| Sundry adjustments ......... | 427 |
| Earned surplus ................ | 4,932 |

**Working Capital**

| | 1935 $ | 1934 $ |
|---|---|---|
| Current assets ......... | 264,436 | 185,102 |
| Current liabilities .... | 227,031 | 187,574 |
| Working capital ...... | 37,405 | *2,472 |
| Ratio ................ | 1.16—1 | 0.99—1 |

*Excess of current liabilities over current assets.

## Acme Farmers Dairy

In its first financial statement to be published since 1929, Acme Farmers Dairy Ltd. reports net profit of $34,739 for the year ended March 31, 1935. This reflects improvement over the previous year when a net loss of $3,874 was reported. Profits for the 1933 and 1932 fiscal period are also disclosed, being $15,533 and $158,801 respectively.

The decrease in earnings during the past three years is attributed to the very unsettled conditions which have prevailed in the dairy industry. Higher prices were paid to the producers in proportion to the sales volume obtained, and consumption, particularly of cream and other higher priced and more profitable lines, decreased. The increase in earnings in the year ended March 31, 1935, over the previous year is principally due to a partial return to the stable conditions, according to G. A. Aird, president.

Since 1932 every effort has been made to reduce operating expenses to a minimum. Operating expenses for the year ended March 31 last were $135,000 less than for the year ended March 31, 1932, after absorbing heavy increases in taxation and including operating expenses of the Hamilton plant, which was opened in November, 1931

Working capital is shown at $38,264. Current assets total $211,434 and current liabilities $173,170. The sum of $136,418 due to Eastern Dairies Ltd., the parent company, is not included in current liabilities.

Dividends on the preferred stock, according to the report, have been deferred until conditions in the industry are permanently settled and the company is in a better financial position.

**Income and Surplus Account**
**Year Ended March 31, 1935**

| | $ |
|---|---|
| Profit from operations ......... | 204,217 |
| Add: Income from invests. .... | 100 |
| | 204,317 |
| Less: Interest on debentures . | 49,000 |
| Directors' fees ............... | 820 |
| Depreciation ................ | 119,758 |
| Net profit .................... | 34,739 |
| Add: Previous surplus .......... | 520,298 |
| Less: Provincial taxes .......... | 2,313 |
| Adjust., prior period .......... | 6,895 |
| Balance carried forward ........ | 545,828 |

**Working Capital**
**As at March 31, 1935**

| | $ |
|---|---|
| Current assets ................ | 211,434 |
| Current liabilities ............. | 173,170 |
| Working capital ............... | 38,264 |

## Frost Steel & Wire

Higher profits and a strong working capital position feature the annual report of Frost Steel & Wire Co. for the year ended Oct. 31 last.

With sales volume showing an appreciable increase over the previous year, earnings of the company were sufficient to cover dividends on the company's first preferred stock for the first time since 1930. Net profit for the year amounted to $59,234 as compared with $32,363 in the previous year.

Working capital shows a slight increase over 1934. Marketable securities carried at $195,966 have a market value of $199,238.

**Income and Surplus Account**
**Years Ended Oct. 31**

| | 1935 $ | 1934 $ |
|---|---|---|
| Net operating profit .. | 92,810 | 29,857 |
| Less: Depreciation .. | 11,455 | 10,466 |
| Fact. mgt. & selling | 9,200 | ...... |
| | 72,155 | 19,391 |
| Add other income: | | |
| Income from invests., rentals ........... | 8,375 | 6,530 |
| Prof. on sundry inv. | 1,644 | 11,220 |
| | 82,174 | 37,141 |
| Less: Directors' fees . | 225 | 345 |
| Exec. salaries & legal exp. ............. | 12,600 | ...... |
| Provision for taxes . | 10,000 | 3,500 |
| Life insur. premium | 115 | 933 |
| Net profit ........... | 59,234 | 32,363 |
| Less 1st pref. divds. . | 58,870 | ...... |
| Surplus for year ..... | 364 | 32,363 |
| Add: Prev. surplus .. | 616,712 | 581,199 |
| Res. not now req. .. | ...... | 3,150 |
| Bal. carried forward | 617,076 | 616,712 |

**Working Capital**
**As at October 31**

| | 1935 $ | 1934 $ |
|---|---|---|
| Current assets ........ | 704,410 | 729,237 |
| Current liabilities .... | 29,880 | 56,130 |
| Working capital ..... | 674,530 | 673,107 |

## Biltmore Hats Ltd.

As a result of increased sales, Biltmore Hats Ltd. reports sharply higher earnings and improved working capital position in its statement covering operations for the year ended Nov. 30, 1935.

Net profit for the year after deduction of preferred dividends and provision for redemption of preferred stock was equivalent to $3.16 per share on the common stock as compared with $2.05 a share in the previous year. Earnings for the year, after all charges, was equivalent to over five times preferred dividend requirements.

In every fiscal period since 1929, profits have increased over the previous period.

A strong liquid position is shown by the balance sheet. Working capital includes cash, $39,332; accounts receivable, $159,852; and inventories, $159,325.

**Income and Surplus Account**
**Years Ended Nov. 30**

| | 1935 $ | 1934 $ |
|---|---|---|
| Operating earnings ... | 149,749 | 89,869 |
| Less: Executives' sal. . | 28,765 | ...... |
| Directors' fees ...... | 300 | 250 |
| Depreciation ....... | 19,540 | 16,864 |
| Provision for taxes . | 15,151 | 10,346 |
| Net profit ........... | 85,993 | 62,409 |
| Less appropriations: | | |
| Preferred dividends | 15,783 | 16,874 |
| Pref. sinking fund .. | 6,939 | 4,444 |
| Common dividends . | 30,000 | 10,000 |
| Surplus for year ..... | 33,271 | 31,091 |
| Add: Previous surplus | 107,629 | 77,633 |
| Less: Addit. inc. tax, prior yrs. ........... | 820 | 1,095 |
| Balance carried fwd. . | 140,080 | 107,629 |

**Working Capital**
**As at November 30**

| | 1935 $ | 1934 $ |
|---|---|---|
| Current assets ........ | 362,160 | 329,063 |
| Current liabilities .... | 35,609 | 23,822 |
| Working capital ...... | 326,551 | 305,241 |

## Dominion Bakeries

Lower revenues are reported by Dominion Bakeries Ltd. for the year ended August 31, 1935, due to the fact that three of the company's properties were not continuously occupied. Deficit for the year amounted to $17,190 as compared with $30,233 in the year ended Aug. 31, 1934.

Reduction in the deficit is due to the fact that Maple Leaf Milling Co. waived interest on the $248,639 owing to it. Since Nov. 1, 1931, Maple Leaf Milling Co., which owns the majority of the second preferred and common stock, has supplied management and office space free of charge.

Dominion Bakeries at present is operating as a property-holding company for the 15 baking plants which it owns. These are rented to other baking concerns.

**Income and Surplus Account**
**Years Ended August 31**

| | 1935 $ | 1934 $ |
|---|---|---|
| Net earnings ......... | 7,594 | 9,351 |
| Less: Depreciation ... | 22,846 | 23,638 |
| Interest ............. | ...... | 14,782 |
| Loss on sale of equip. | 1,938 | 1,154 |
| Deficit for year ...... | 17,190 | 30,233 |
| Add: Previous deficit . | 658,340 | 673,414 |
| Adjustments ....... | ...... | 726 |
| Less: Common shs. value adjust. ....... | ...... | *46,023 |
| Deficit carried forward | 675,530 | 658,340 |

*Transfer of amount formerly attributed to no par value common shares in excess of stated value thereof.

**Working Capital**
**As at August 31**

| | 1935 $ | 1934 $ |
|---|---|---|
| Current assets ........ | 2,063 | 4,198 |
| Current liabilities .... | 254,140 | 264,298 |
| Working capital ..... | 252,077 | 260,100 |

## Canada Dry Ginger Ale

Canada Dry earnings per share on 512,631 common shares of $5 par value were equal to 47 cents in the year ended September 30, 1935, as compared with 86 cents a share in 1934 and 89 cents a share in 1933.

Working capital declined $1 million during the year due to the company buying the leased 54th Street plant in New York City for $302,000 cash and because it segregated from current assets $417,230 representing deposits receivable for containers returnable by customers.

Sales of carbonated beverages by Canadian subsidiary increased 2.3 per cent during the year, and in the United States by 0.89 per cent. Lower prices in certain areas, however, caused a decline in gross revenue.

**Income and Surplus Account**
**Years Ended Sept. 30**

| | 1935 $ | 1934 $ |
|---|---|---|
| Gross mfg. profit .... | 5,109,641 | 5,277,070 |
| Less: Expenses ...... | 4,506,321 | 4,572,972 |
| Net oper. profit ..... | 603,320 | 704,098 |
| Add: Other income .. | 139,450 | 128,963 |
| Gross earnings ....... | 742,770 | 833,061 |
| Less: Disc. & other deduct. ........... | 255,280 | 123,560 |
| Net earnings ......... | 487,490 | 709,501 |
| Less: Depreciation ... | 190,389 | 200,084 |
| Interest ............ | 10,286 | 10,116 |
| Inc. taxes, estd. .... | 46,393 | 59,753 |
| Net profit ........... | 240,422 | 439,547 |
| Add: Adj of wk. cap. re Can. exch. ...... | ...... | 14,027 |
| Less: Dividends ..... | 230,639 | 512,531 |
| Surplus for year ..... | 9,783 | *58,957 |
| Add: Prev. surplus .. | 4,544,151 | 4,155,926 |
| Excess prov. for invest. secs.† ....... | 88,006 | 203,892 |
| Tax adjust. ......... | 4,319 | ...... |
| Equipment w/o .... | ...... | 243,290 |
| Earned surplus ...... | 4,646,259 | 4,544,151 |

*Deficit.

†Reinstatement of excess provision made in preceding year for shrinkage in the quoted market value of investment securities.

**Working Capital**

| | 1935 $ | 1934 $ |
|---|---|---|
| Current assets ........ | 3,034,191 | 3,976,056 |
| Current liabs. ........ | 841,856 | 814,795 |
| Working capital ..... | 2,192,385 | 3,161,261 |
| Ratio ............... | 3.60—1 | 4.88—1 |

# Investment Notes

**Bread Firms Hopeful**

Canada Bread Co. and Consolidated Bakeries have both shown improvement in the current year. It would be conservative to say that a pronounced advance has been made in persuading bakers to view their own problems as those of a whole industry. The recent elimination of the 9-cent loaf in Toronto illustrates greater co-operative efforts. In Winnipeg Judge Whitla has just concluded a four weeks' hearing of the circumstances of a price war. Bread has been selling two pounds for seven cents in Winnipeg. This is costly to all bakers, and hits Canada Bread. Consolidated Bakeries, however, does not operate in Winnipeg.

• • •

**No Ford Dividend**

It now seems definite that no dividend will be paid on Ford of Canada A shares until next year. There are hopes that a payment will be made early in the spring. A great deal depends on the tariff.

• • •

**Canners Dividends**

Although Canadian Canners' year shows improvement, it is doubtful whether the company is prepared to recommence dividends on its second preference shares. It should be remembered that rather generous payments were made when earnings were low.

• • •

**Bank of Canada**

There is no information yet available at Ottawa as to just how the King government will propose to nationalize the bank. The shares continue to sell close to $50 apparently in expectation of redemption at par.

• • •

**B. C. Telephone**

Reflecting the improvement in business conditions on the coast, British Columbia Telephone Co. reports an increase in the number of telephone installations this year to date.

No figures have been released by the company, but at the end of last December there were 106,326 stations in operation. This compares with 105,061 telephones at the end of the previous year.

• • •

**Photo Engravers**

Business of Photo Engravers & Electrotypers Ltd. has improved, and the bank loan which was down to $50,000 last year has been cleared off. The loan was $250,000 in 1931, and has been paid off from earnings. As yet there is no indication of an increase in the $1 dividend but it is an eventual possibility.

## Montreal Hospital Offers Bond Issue

**From Our Own Correspondent**

MONTREAL.—Notre Dame Hospital, Montreal, is making a public offering of $1.6 millions of 4 per cent first mortgage bonds, maturing serially from 1937 to 1948, through the medium of a French-Canadian syndicate, comprising Ernest Savard Ltée., Paul Gonthier & Co., Credit Anglo Francais, Dube Leblond & Co J. C. Boulais and Laflamme & Co. The offering price is 100 and accrued interest.

Proceeds of above issue will be used by the hospital to redeem $500,000 of 5½ per cent bonds, ordinarily due in April, 1941, and another issue of $1,014,800, maturing from 1936 to 1950. The first lot of bonds will be retired at 102 and the second lot at 102½.

The present issue is secured by a first mortgage on all of the hospital property, valued, after depreciation, at $3.6 millions, as well as a floating charge on all other assets.

REAL ESTATE BONDS

Special circular prepared covering six attractive offerings of well located, revenue producing Real Estate Bonds.
Occupancy from 85% to 100%. Present market 20% to 35% of original valuation. Bonds offered at prices of $30 to $60 per $100. Based on this year's disbursements

To Yield 8% to 12%

H. M. Chisholm & Co. Limited

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City of Montreal
The Largest City in Canada

Industrial, commercial and financial activities in Montreal, together with its transportation facilities, population and wealth, combine to make Montreal the most important city in Canada and one of the leading cities on this continent.

*New Issue*

City of Montreal

3% Bonds, due December 15th, 1942
Price: 97.22 and interest, yielding 3.45%

3½% Bonds, due December 15th, 1947
Price: 97.13 and interest, yielding 3.80%

Denominations: $1,000 and $500

Telephone or telegraph orders at our expense.

Wood, Gundy & Company Limited

Toronto, Montreal, Winnipeg, London, Eng. — 36 King Street West, Toronto, Telephone: Elgin 4321 — Ottawa, Hamilton, Vancouver, London, Ont.

*New Issue*

Notre-Dame Hospital
(MONTREAL)

4% 1st Mortgage Bonds
Maturing: January 1943-8

Secured by a mortgage on properties, valued at $3,631,000.

Issued to redeem two 5½% issues called for May 1st and October 1st, 1936.—

Price: 100 and accrued interest

*Circulars on request*

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Sinking Fund Bonds
(Non-callable)

5-year 3% bonds due 15 Dec., 1940—99.08 to yield 3.20%
7-year 3% bonds due 15 Dec., 1942—97.22 to yield 3.45%
12-year 3½% bonds due 15 Dec., 1947—97.13 to yield 3.80%

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Full particulars on request. Orders may be telephoned or telegraphed at our expense.

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# Bond Markets

## Bond Conversion Plans

• • • •

## New Index; Prices Firm

Holiday dullness in bond markets has been partly removed by firmness of newsprint issues and of power bonds concerned in the repudiation of Ontario Hydro contracts. Apparently even yet it is not generally recognized how little concern the Ontario powers that be have for credit.

It is becoming generally accepted that municipal taxation in most sections of the country has reached its maximum and that the municipal burden of unemployment relief costs must be lightened materially.

The Montreal offering of $7,885,000 of 3 and 3½ per cent bonds was closed out within a few hours. It caught a firm market at attractive prices. Slower sale of the recent Ottawa and New Brunswick loans was due to a combination of adverse circumstances.

### Proposed Conversions

OTTAWA was full of schemes at the Dominion-provincial conference for converting government bonds into new securities carrying lower rates of interest. The big financial powers in Canada—including large creditor interests—appear to favor some action that recognizes the inability of the four western provinces to meet their present debt burdens. The loan council plan at least offers the bondholders a better security as compensation for a reduced interest rate.

The Hepburn proposal to cut rates on all government debt in the country to three per cent never had a chance at the Dominion-provincial conference. The Aberhart plan to reduce Alberta's debt charges is getting nowhere.

Under the loan council scheme, all holders of western provincial bonds would probably be offered three per cent guaranteed securities. It would make no difference what present coupon rates are. This, however, could be modified. If the flat three per cent scheme is ever completed, holders of the present four per cent issues will reap the maximum advantage.

* * *

### British Borrowing

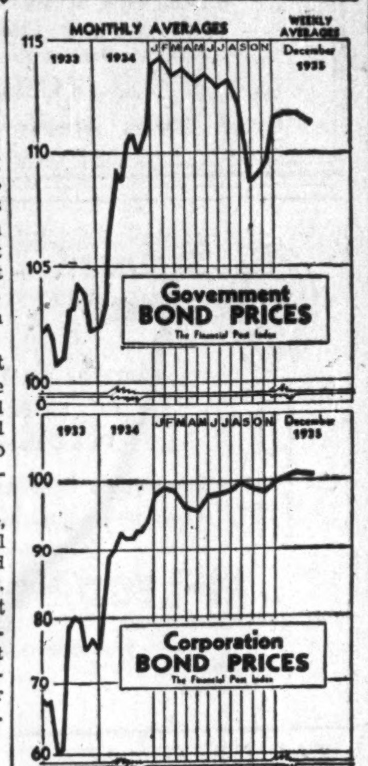
NEW financing in London for the 12 months ended Nov. 30 totalled £184.6 millions, according to the Midland Bank. This compares with £143.5 millions in the preceding year. The rise in genuine new borrowing is indicative of recovery of industry on a broad scale. When this occurs in Canada, it will signal that comparative prosperity is here. Active industrial expansion is a prerequisite for new borrowing as distinguished from refinancing of existing bonds.

* * *

### Corporation Bonds

WITH this issue The Financial Post presents a new feature, an index of high-grade corporation bonds. In computing the index, eight corporation bonds, representative of various branches of industry, have been used.

It will be noted in the accompanying chart that corporation bonds are at the highest level in a number of years. This indicates a return of confidence on the part of investors in industrial issues. It also reflects the tendency to invest in issues carrying a higher yield than can currently be obtained on government bonds.




### Western Bonds Up

QUOTATIONS for gilt-edged bonds have been disturbed by the publicity given to conversion proposals made at the Dominion-Provincial conference at Ottawa. Fear that Dominion government bonds would be included in a refunding scheme resulted in prices losing some of their recent gains. Losses were later regained.

Prices of western provincial issues have strengthened, apparently by the loan council and refunding scheme discussed at the conference. Despite the prospect of lower interest rates, investors seem to have been impressed by the prospect of greater security.

The trend of the gilt-edged market is indicated below:

**The Financial Post Average Yield and Price for Seven High Grade Bonds**

| 1935 | Yield % | Price $ | 1934 | Yield % | Price $ |
|---|---|---|---|---|---|
| Dec. 17 | 3.607 | 111.52 | Dec. 17 | 3.373 | 115.00 |
| Dec. 16 | 3.601 | 111.56 | Dec. 15 | 3.383 | 114.88 |
| Dec. 14 | 3.594 | 111.61 | Dec. 14 | 3.400 | 114.71 |
| Dec. 13 | 3.621 | 111.35 | Dec. 13 | 3.436 | 114.30 |
| Dec. 12 | 3.641 | 111.21 | Dec. 12 | 3.453 | 114.14 |
| Dec. 11 | 3.667 | 110.79 | Dec. 11 | 3.467 | 114.05 |
| Dec. 10 | 3.631 | 111.30 | Dec. 10 | 3.506 | 113.56 |
| Dec. 9 | 3.633 | 111.26 | Dec. 8 | 3.530 | 113.30 |
| Year's | 3.367 | 114.97 | Year's | 3.373 | 115.00 |
| Range | 4.097 | 106.57 | Range | 4.517 | 102.54 |

# TRUSTEE RUNS P. T. LEGARE CO. FOR INVESTORS

## Bondholders' Committee Tells of Problems of Bankruptcy

P. T. Legaré Co., in bankruptcy, is to continue in operation under the trustee, Geo. S. Currie, C.A., Montreal, for the benefit of bondholders.

Indications of the conditions that led to the bankruptcy of the Quebec merchandising firm early this year are given in a letter issued by the bondholders' protective committee this week.

The committee and the trustee in bankruptcy have been hampered, the letter states, by the fact that "the condition of the company's records was found to be such as to make it extremely difficult to establish the exact state of affairs." This accounted for the tardy issue, last September, of the "approximate statement of affairs" as at April 4, 1935.

**Assets and Discrepancy**

The letter points out that assets upon which the bonds are a first charge total $2,251,489, subject to privileged claims of $142,961. It is pointed out that no reserve has been set up for accounts receivable; that inventory is shown at cost and real assets at assessed values. Some losses are expected, but The Financial Post understands that the committee is hopeful that bondholders will eventually recover most of their investment.

There appear to be "substantial differences" between the balance sheet for the year ended Dec. 31, 1934, as certified by the company's auditors and the statement prepared by the trustee in bankruptcy, the letter states. This matter, it adds, "is being carefully investigated" by the committee.

Interests of P. T. Legaré Co. in three enterprises extraneous to its merchandising business have been liquidated. These were: L'Evénement Publishing Co., Le Nouvelliste Publishing Co., and Percival Plow & Stove Co. Some fixed assets were also liquidated. Proceeds totalling $136,000 up to Oct. 31, 1935, have been deposited with the Royal Trust Co., trustee for the bondholders.

**Current Results**

The committee has decided that it will be advisable to use funds deposited with the trust company to protect certain properties upon which taxes are in arrears. Current taxes, it is stated, are being met, but arrears could not be met without reducing working capital.

Statements to Oct. 31, 1935, indicate that the company "broke even" excluding cost of the trusteeship, and it is anticipated that improvement will be felt in the last two months. It is stated that the company's business was disturbed by the bankruptcy. The results, in the committee's opinion warrant continuation of operations for the bondholders. A statement showing the results of operations up to Dec. 31, 1935, including costs of the trusteeship, will be available early in 1936.

Holders of bonds who deposited them with the Royal Trust Co. may now get them back by presenting their certificates of deposit. The securities are being returned for the convenience of investors.

### Credit Anglo-Francais Buys La Salle Bond Issue

**From Our Own Correspondent**

MONTREAL.—Credit Anglo-Francais has purchased an issue of $30,000, four per cent bonds, maturing one to fifteen years, of the trustees of the Parish of St. Nazaire.

# STEPS BEING TAKEN TO MEND FINANCES CAN. PUB. SERVICE

## Present Financial and Earning Position Not Satisfactory

An unsatisfactory financial and earning position is revealed by the report of Canadian Public Service Corp. for the year ended June 30, 1935.

Steps, however, are already being taken to rehabilitate the company's financial position. Early this year the board of directors was almost completely reorganized and Brig.-Gen. J. A Clark, Vancouver, elected president. The new board concluded that the dividend policy in former years had been unsound and for this reason dividends have been suspended.

**Name General Manager**

Under the new board, W. P. Macdonald, manager of Nanaimo-Duncan Utilities Ltd. was appointed general manager of all the operating units of the company. His report after an examination of the property stressed the need for additional maintenance work, which had fallen in arrears; for additional provision for depreciation; for necessary extensions to services, which would produce additional revenue; and for consolidation of management and office administration, from which considerable economies would result. Brig.-Gen Clark states that all these matters have been considered by the board and that steps have been taken to carry out the recommendations.

Operations of the company's various subsidiaries are reviewed in detail.

**West Canadian Hydro-Electric**

Gross revenues of West Canadian Hydro-Electric Corp. amounted to $163,234, an increase of $11,758. This is due in part to an increase in the consumption of the ice and cold storage plant and in part to a larger general demand.

Operating expenses, exclusive of depreciation increased $11,612, due largely to absorbing items, which were formerly, in effect, capitalized, and to an increase in the inter-company management fee. In the current year, the report states, material savings in administration and overhead expenses is anticipated. At the same time, however, proper allowances are to be made for maintenance and depreciation.

**Canadian Western Telephone Co.**

Gross revenue of Canadian Western Telephone Co. at $169,587 showed an increase of $6,634 over the preceding year. Operating expenses increased $8,296. At June 30 last, there were 5,220 stations operated as compared with 5,091 in the previous year. In this company also, there is to be savings in administration expenses but greater allowances for maintenance and depreciation during the current year.

**Inland Ice and Cold Storage**

A sharp increase in revenues during the year under review is reported by Inland Ice and Cold Storage Co., as its cold storage space was fully occupied by the 1934 apple crop. Net profit for the year was $8,790 after depreciation, bond interest and discount. This compared with a net loss of $2,098 in the previous year. Owing to the lateness of the 1935 crop and damage wrought by early frosts, the demand for cold storage space has shown a serious decline, the president points out.

**Nanaimo-Duncan Utilities**

For Nanaimo-Duncan Utilities, which was acquired in 1934, satisfactory results are reported. Net earnings of this company for the period amounted to $44,909 after providing for depreciation, income taxes and certain non-recurring items. Earnings available for bond interest amounted to 2.8 times requirements, and preferred dividend was earned 1.9 times.

Earnings statement of Canadian Public Service Corp. appears on page 4.

### Lincoln Pulp and Paper Call Outstanding Bonds

**From Our Own Correspondent**

MONTREAL.—Lincoln Pulp and Paper Co., a subsidiary of Alliance Paper Mills and in turn controlled by Howard Smith Paper Mills, has called for redemption at 103 all of its outstanding 7½ per cent first mortgage sinking fund bonds.

Originally the company issued $1 million of these bonds and at the end of 1934 there were outstanding $663,900. Some time ago the sinking fund on these bonds was suspended for a five-year period ending February 1, 1937.

The company also has outstanding a 6 per cent five-year debenture issue amounting to $395,752 at the end of 1931, of which $176,931 is held by Georgetown Coated Paper Mills and $218,820 by Ritchie and Ramsey, both companies subsidiaries of Alliance Paper Mills The issue matures on September 1, 1938.

### Consumers Glass Plan Conversion of Preferred

**From Our Own Correspondent**

MONTREAL.—Further changes in the capital set-up of Consumers Glass Co. are announced in the current issue of the Canada Gazette. The issued $500,000 of 7 per cent cumulative preferred stock, par value $100 each, will be converted into no par value common shares on the basis of one and a half common shares for each preference share. This change calls for the issuance of 7,500 shares, which added to the 24,257 shares already issued, gives the company a total outstanding of 31,757 shares.

Upon completion of this transaction Consumers Glass will have outstanding only common stock. On December 1 last all the company's five per cent first mortgage sinking fund bonds were called for redemption.

### Montreal Security Values Increase During November

**From Our Own Correspondent**

MONTREAL.—Value of the stock and bonds traded on the Montreal Stock Exchange and Montreal Curb market amounted to $7,210 millions as at November 30, an increase of $304 millions over the previous month and $884 millions higher than on the same date a year ago.

With the exception of listed stocks on the Montreal Curb Market, all groups show higher values than at the end of October, reflecting the upward trend in security prices during the month.

The ratio of brokers' loans as of November 30 to the value of all shares traded on the Montreal Stock Exchange and Montreal Curb was unchanged from October at 0.39.

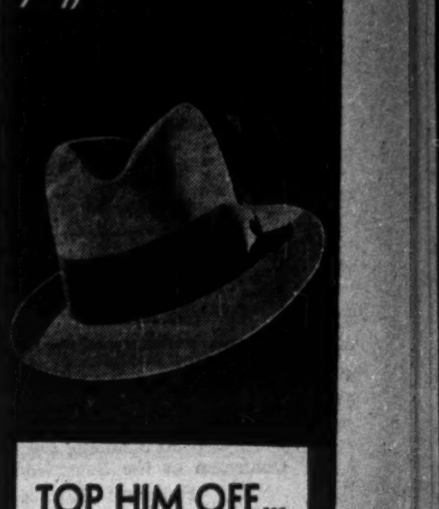
### Planning Reorganization In 3 Quebec Defaults

Meeting of creditors of St. Joseph d'Alma, St. Coeur de Marie, and Delisle township, Quebec, has been deferred from Dec. 17, 1935, to Jan. 16, 1936. The creditors met on Oct. 23, but adjourned the meeting. The proceeding exemplifies how a scheme for reorganization of finances of defaulting municipalities is carried out in the Province of Quebec.

Creditors are considering a reorganization plan reducing interest rates on the various bond issues to two, three and four per cent, maturing in 30 years. On Oct. 23, 1935, creditors appointed a board to investigate the financial position of the various debtor municipal organizations concerned. It is expected that their conclusions will be ready for presentation at the January meeting.

**N. B. and N. S. Pulp Mills**

New Brunswick and Nova Scotia last year had seven pulp mills and four pulp and paper mills operating. These were capitalized at $53,679,921; they employed 2,804 persons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*Main Floor*

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## Weekly Record of Financing in Canada

**SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS**

| Municipal— | Date Sold | Sold to | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Montreal | Dec. .. | Bank of Montreal and Syndicate | 3% | 1940 | $3,045,000 | *99.08 | 3.20% |
| | | | 3% | 1942 | 2,459,000 | *97.22 | 3.45% |
| | | | 3½% | 1947 | 2,381,000 | *97.13 | 3.80% |
| Port Arthur, Ont. | Dec. .. | Sold to Sinking Fund | 4½% | 1950 | 79,000 | .... | ..... |
| Shawinigan Falls, Que. | Dec. .. | Sinking Fund | .... | .... | 13,500 | .... | ..... |

*Offering price.


We extend a cordial invitation to one and all to view our wonderful display of Christmas plants, cut flowers and memorial wreaths, at popular prices, at both stores.

ARCADE FLORIST LTD.

5-7 Yonge St. Arcade EL. 5211

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These are the Things She wants!

Holt, Renfrew's offer a few Christmas suggestions to puzzled gentlemen who want to give "Her" something she'll be very, very pleased with, but who, being gentlemen, are a bit hazy as to just what to get!

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***FURS*** — *The Gift supreme! There's nothing finer than Holt, Renfrew Furs . . . a Silver Fox Scarf, for instance, or a coat of Mink, an Ermine wrap, a coat of Persian Lamb or Hudson Seal . . . any of our quality furs will bring joy of a woman's heart! FUR SALON—SECOND FLOOR.*

Visit, write to, or telephone our store . . . . our Lady Gift Shopper will assist you in every way possible in your Gift selections . . . . and your purchases will be attractively packed in Holt, Renfrew Gift boxes, all ready for Christmas!

Holt, Renfrew & Company Limited

YONGE AT ADELAIDE ADelaide 9441



DRIVE A NEW DE SOTO

..and Travel in Swanky Style!

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DE SOTO'S swanky style picks you out from the crowd . . . Cruising down the highway, drifting along in traffic or coasting up to your favourite club, you enjoy the distinction of being different when you drive the new De Soto.

The interiors of the new De Sotos show the skillful hand of the master custom designer. Your're safe in buying De Soto, not only on its appearance alone, but because it also has all the mechanical features that every well designed motor car should have—and in addition has double cylinder hydraulic brakes, Floating Power engine mountings, all-steel double strength frame and body, and traditional De Soto pep and power.

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*See how nicely the trunk blends into the beautiful lines of the Airstream De Soto . . . more luggage room than ever before.*

*The swanky military style of De Soto's front end is characteristic of the entire car.*

De Soto sets the Style

# The Financial Post

Member Audit Bureau of Circulations

Editor—Floyd S. Chalmers

Business Manager—D. M. Gowdy

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada

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TORONTO, DECEMBER 21, 1935


## An Investment Fraud

ONE of the responsibilities of the Ontario Commissioner of Security Frauds is to take action against those who issue misleading prospectuses. Wherefore it is now argued by some investors that he ought to prosecute the firms who sold the bonds secured by power contracts with Ontario Hydro.

Their argument is simple: The bonds were sold on the strength of contracts represented as legal. The Commissioner's chief, Attorney-General Roebuck, now declares that the contracts were illegal. Therefore the bond dealers misrepresented the facts. And so Mr. Roebuck ought to have them thrown into jail.

It is true that the investors in these power bonds were defrauded, but not by the investment houses. The investment houses got very high legal opinions on the contracts, including in one case the Hepburn-Roebuck group's chief outside legal adviser. It was not the courts of Ontario that decided that the contracts were illegal but rather Mr. Roebuck and Mr. Hepburn, the first an obscure Toronto lawyer who was very suddenly lifted to the position of guardian of justice in Ontario; the second a farmer and politician not claiming to be learned in the law, except of course the law about power contracts.

It was the government of Ontario that defrauded the investors. The Security Frauds Prevention Act did not provide for such a contingency.

## Toward Uniform Laws

A PROMISING start was made at the Ottawa conference between provincial premiers and the Dominion government toward securing uniform laws dealing with companies throughout Canada.

The Secretary of State should lose no time in convening the appropriate Dominion and provincial government officials to prepare a draft of a new companies act. Resolutions asking him to do this were passed both by the constitutional committee under Hon. Ernest Lapointe, minister of justice, and by the mining committee. If such a group accepts the present Dominion Companies Act as a basis it should be possible to have the new act ready for submission to Parliament and to the provincial legislatures at their forthcoming sessions. In view of the spade work done already with the present Dominion Companies Act, it should be possible to get quick action and still avoid any criticism that the draft act would be "hasty" or "ill-considered" legislation.

The Financial Post for years has editorially and in articles written by eminent professors, lawyers and chartered accountants, as well as by members of its own staff, advocated that company legislation should be revised in line with modern requirements. The need of having provinces and Dominion legislate and act in concert in order to give the public adequate protection has been pointed out in nearly all these articles.

Such great strides have been made by the Dominion Government in the last two years in company legislation that it is evident the next large advance must come from the provinces. They should utilize largely in the draft act the experience gained in two years under the new Dominion companies Act. After that dominion and provinces should advance together.

## Murray Starts Work

THIS week has witnessed definite wheat progress in Canada.

For the first time in five years exports have piled up a volume that gives the indication that this country's unwieldy surplus may yet be brought under reasonable control.

Since the new Wheat Board was installed, hardly a fortnight ago, probably 40 million bushels have been sold with well over a quarter of this amount moving out of storage on a single day. J. R. Murray, now in charge of Canada's wheat destinies has made a good start.

A continuance of such effort should see the present visible of somewhere in the neighborhood of 250 million bushels reduced by two thirds or to a fairly normal figure by the end of the present crop year next July.

Credit for the change should be given to the aggressive sales policy adopted by the new board rather than to the sensational news from the Argentine. The decision of the latter country to pay minimum price to farmers of 90 cents per bushel is not to be interpreted as a reversal in policy by our chief wheat competitor.

The Argentine government has probably no intention of assuming the mantle of the Canadian wheat pools and later on the McFarland Wheat Board in holding prices at an artificially high level while competitors sell. Argentine's policy has been to pay a minimum price to the farmer but to sell the wheat itself at world prices. The move in the Argentine is the expression of an opinion that wheat prices are going to go higher and that the government therefore can afford to pay farmers the difference between world prices and 90 cents. The significance of such reasoning lies in the fact that it is probably based on a lower Argentine crop now coming on the market than was previously estimated.

The big development is the change in Canada's wheat policy—the decision to sell on world markets at world prices. With that decision has come a resumption of confidence on the part of world buyers—not a crash in values but exactly the reverse. Such a policy will restore Canada's wheat land and its highly developed and expensive transportation and elevator system to its proper function, that of producing and marketing the highest grade wheat in the world.

## Politics and the C. N. R.

THE King cabinet, in planning to dismiss the present board of trustees of the Canadian National Railways in order to appoint a board of directors responsible to the government, is expressing the opinion that the Duff trustee plan has failed. It certainly has not been very effective in reducing deficits of the Canadian National Railways, which may be more of a reflection upon the present trustees, or some of them, than on the plan itself.

No doubt, Mr. Howe, the Minister of Transport, has very definite views on the attitude he will adopt toward the new board of directors. Probably, he merely wants to be able to appoint a new and non-political board of directors and to give to them, not only the authority to run the railway in a business-like manner, but the authority to resist the wrong kind of political influence.

This is not going to be as easy as Mr. Howe thinks. If the government, as representative of the taxpayers, assumes the power to dictate to the C. N. R. board it also assumes the responsibility of deciding when it should dictate and when it should keep its hands off. Mr. Howe's views on the matter may not be the same as those of influential elements in his own party, particularly during the year or two in advance of a general election. There may come a time when he will regret that he has no non-political trustee board to protect him from the pressures of sectionally-minded politicians.

If the present trustee board has failed to do what it was supposed to do; if it has done less than it should have done to put the C. N. R. on a profitable basis, then it should be replaced. Conceivably, too it might be desirable to increase the number of trustees to five or seven or some other figure. But there is nothing unbusinesslike in giving the right kind of trustee board complete freedom from political interference in the management of the line. This principle should remain paramount with the government in framing the new railway legislation it has undertaken to bring down.

## Wheat Bonus Should Wait

EFFORTS are being made to revive a bonus to wheat pool farmers for the crop sold in 1930. During the general election Mr. Bennett suggested a hand-out on this account of $8 millions. Later he qualified the promise by stating that such payment would be made "subject to certification and audit."

Carry-over wheat from the crop of 1930 has now cost the government of this country well over a dollar a bushel when the original advances and carrying charges have been added. Such a cost is still substantially above the highest price at which this grain could have been sold in recent months.

The wheat was at first purchased by the pools and eventually turned over to the wheat Board. So far there is no public report of a proper audit of the complicated accounts.

Any consideration of a bonus may well wait until two points are made clear. First that the wheat has been sold and secondly that a profit has been made on its sale. The additional payment should not come out of the general taxpayer who has been carrying the load to date.

## Reasonable Debt Solutions

ON THE eve of or during the premiers' conference last week disturbing public statements were made by two of the provincial premiers. Alberta's Aberhart asked his bondholders if they would accept a lower rate of interest and Ontario's Hepburn made public his own plan for writing all public bond issues in Canada down to a three per cent basis.

The premier's conference apparently gave short shrift to such proposals and discussed more honest methods of dealing with the very serious problem of public debt burdens.

One result was a considerable improvement in the average prices of Canadian public issues after the adjournment of the conference.

Thus the conference proved a stabilizing factor for Canadian credit. It provided evidence that the Dominion government and most of the provinces desire to be fair to those who have invested in Canadian government bonds. It showed that radical solutions of the debt problem are not generally desired by Canadian statesmen.

## Disproportional Representation

THE Evening Telegram, Toronto, publishes a cartoon of Hon. H. H. Stevens dragging an empty dog-collar along the ground. It is hinted that what Mr. Stevens would like for Christmas is one or more followers.

The fact that Mr. Stevens polled 9 per cent of the vote and elected only himself would today be presented as an argument for "electoral reform" in Canada were it not for the fact that most of those who favor "electoral reform" are no friends of Mr. Stevens.

If the various parties were represented in Parliament according to the proportion of the total vote they received the new house would be made up quite differently.

The first column in this table shows the House of Commons as it is and the second column the House as it would be on a system of strictly proportional representation:

| | | |
|---|---|---|
| Liberal | 171 | 114 |
| Conservative | 39 | 72 |
| Social Credit | 17 | 10 |
| C.C.F. | 7 | 21 |
| Reconstruction | 1 | 21 |
| Others | 10 | 7 |
| | 245 | 245 |

Proportional representation in one or other of its various forms is often suggested as a way to avoid unrepresentative land-slides and to provide representation according to votes. But "P. R." is losing favor in Western cities where it is used in civic campaigns. And it solves one problem only by introducing new ones; particularly, the log-rolling and indecision that are characteristic of governments which are the product of the merger of ill-assorted groups.

The two party system, with all its faults, is still best.

## Editorial Notes

**As governments** borrow money at lower rates of interest there will be smaller incomes to tax. Thus debt refunding will tend to reduce income tax revenues. That will be the short term effect. In the long run, as lower interest rates stimulate business activity, taxable incomes will increase. There is more income tax from salaries and dividends than from bonds.

* * *

**Maybe** it is because he has planned to quit politics that Premier Hepburn is so mischievous. He has the fun of tearing down things and someone else who will come after him will have to do the rebuilding.

## *Post-Scripts*

### A Classy Invitation

VARIOUS members of The Financial Post staff have at different times received invitations representing what they regarded as the acme of the engraver's art; little doo-dads of cardboard asking them to Buckingham Palace, the Goldsmiths' Company, League gatherings, the White House and so on. But never did there arrive anything so pretentious as an invitation we have just received from His Excellency, the governor of Louisiana, and the mayor of New Orleans to come along to the opening of the Huey P. Long Bridge across the Mississippi next week.

A piece of pure white cardboard slightly smaller than a tablecloth, edged in gold, decorated with a gold seal and a color lithograph of the bridge, it might almost serve as a tombstone for the late demented Huey himself.

Huey certainly started them out doing things in a big way down daown in Louisiana. Some day, though, the folks are going to have to pay the bills and we reckon that that is when there might be a little flare-up.

## *Sayings of the Week*

"With the average law makers it is long time between thinks."—*James J. Montague.*

* * *

"The art of living consists in taking sides."—*Hon. C. J. Hambro, president Norwegian Parliament.*

* * *

"Radio broadcasting is for the old, the infirm, the country people and those who enjoy home life."—*Leslie Howard.*

* * *

"Free enterprise seeks to stimulate expansion and progress; monopoly to keep things as they are."—*Ogden L. Mills.*

* * *

"Philosophy is the study of what men think; but psychology is the study of why they think it."—*G. K. Chesterton.*

* * *

"An essential condition of peace and order is that poverty and special interests will have to go."—*H. M. Tomlinson.*

* * *

"It is the influence of leisure on consumption that makes the short day and the short week so necessary."—*Henry Ford.*

* * *

"To accept and support a thesis that some specific thing is not possible is always dangerous."—*Alfred P. Sloan, Jr.*

* * *

"To accomplish anything, money has to be mixed with brains, as gasoline has to be mixed with air."—*Channing Pollock.*

* * *

"Make no mistake, we will put Social Credit into operation in Alberta or die in the attempt."—*Premier William Aberhart, of Alberta.*

* * *

"The world has always been sympathetic toward the weak, without asking itself what intrinsic merit the weak possess."—*Emil Ludwig.*

* * *

"Since when was a thing bad because it is big—or small. Size never entered into the system of morality I was taught in my youth."—*Hon. Charles A. Dunning.*

* * *

"The guiding motive of economic planning ought to be the expansion and liberation of human personality in proportion to the available resources."—*Beni Prasad.*

* * *

"If we are going to have freedom of the individual we must have individuals who justify that freedom."—*Edward D. Duffield, president of the Prudential Insurance Co. of America.*

* * *

"Just as you cannot have a healthy League of Nations without healthy nations, so you cannot have a wholesome society unless the units in it have a wholesome mode of life."—*Lord Tweedsmuir.*

* * *

"I am sure the continuance of the present modes of persecution must seriously affect the goodwill with which the people of Britain desire to regard the German nation."—*The Archbishop of Canterbury.*

## The World at Large

# League Let Down

### Baldwin Government Loses Caste Following Deal with France to Carve Ethiopia

By JOHN A. STEVENSON

Once more a state of tension has developed in Europe. The nerves of practically every country are on edge, while more than one government is confronted with a serious domestic crisis.

The source of all this grief is a bargain which Sir Samuel Hoare, the British Foreign Secretary, concluded with Premier Laval, of France. Under this was proposed a settlement of the Italo-Ethiopian conflict on terms calculated to commend themselves to Mussolini.

**Sell Out to Italy**

The salient features were that Italy should be ceded outright by Ethiopia its eastern Tigre province, 60,000 square miles in area and in addition a zone of expansion and colonization, 160,000 square miles in extent in the southern region of Ethiopia. This would remain under the nominal sovereignty of Haille Selassie but would be administered by agencies set up by the League of Nations. In return Italy would cede to Ethiopia about 3,000 square miles of her colony of Eritrea including the port of Assab, giving a direct outlet to the sea.

Now these terms were much more generous to Italy than those which were previously offered. When it became known that Hoare and Laval had committed their governments to use their influence both at Addis Abba and Geneva for the acceptance of a bargain, which obviously made actual aggression by warlike measures profitable, a storm of indignant protest blew up from many directions.

**Fierce Protests**

The Baldwin Government had been elected with a decisive mandate to support the League and enforce sanctions against Italy. Thousands of people had supported the Government with this end in view. Yet here were apparently coming true the predictions of the British Labor leaders that as soon as the Baldwin Government got its majority, it would sell out to Mussolini. There immediately arose a fierce outcry of protest.

It was not confined to Laborites and Liberals but was joined in by many Conservatives. Lord Robert Cecil and Sir Austen Chamberlain, two Conservative ex-ministers, were among the leaders of a delegation, representing the League of Nations' Union, which interviewed Premier Baldwin and protested against his government's course. Of the newspapers only the Rothermere and Beaverbrook press backed the Government. Normal supporters like the Times and Yorkshire Post expressed disapproval. At Geneva the spokesmen of all the smaller nations were unanimous in condemning the Hoare-Laval deal as a capitulation to Mussolini and a wanton betrayal of the League and the collective system.

In Rome the proposals had a sympathetic reception. It is believed this had been assured beforehand. But the Ethiopian Government lost no time in denunciation. It declared that it would take no part in secret negotiations. In France the Laval Ministry soon became the target of a barrage of bitter criticism from the parties of the left.

**Reasons**

On the surface the course of the British Government seems indefensible and inexplicable. Premier Baldwin had a very hard time in the British House of Commons trying to parry questions and criticisms. However, in one of the lamest speeches which he ever made Mr. Baldwin said that, if his lips could only be unsealed, he could present a case for his government's action which would induce every member to endorse it. So speculation is rife about the motives behind the Laval-Hoare deal.

One theory is that intimation was conveyed to the British Government that if the oil sanction was enforced Mussolini would at once order an attack upon a vulnerable British Mediterranean fleet. Another thesis is that Sir Samuel Hoare exceeded his instructions at Paris and his subsequent behaviour has certainly been very curious. Without coming home to report to his colleagues he departed for a skating holiday in Switzerland. So strong is the clamor for his resignation that only Baldwin's habitual loyalty to his friends will avail to keep him in office.

**Alarm**

Meanwhile the British Government has taken such alarm at the hostile reception of its policy that it has virtually thrown it overboard. But public opinion is tremendously aroused in Britain and the prestige of the Baldwin Ministry has suffered a blow from which it will be difficult to recover. The jibe from Geneva, "Nothing is lost—except the honor of Britain" has struck home.

And while this particular crisis is still unsolved, grave disquietude has been aroused among the smaller nations of Europe by leakage of information that negotiations have been quietly going on between London, Paris and Berlin for an adjustment of various problems. The suspicion prevails that the real objective is a Four Power Pact between Britain, Germany, France and Italy outside of the League.

## *As Others See Us*

### King's Charted Course
Lethbridge Herald

The Financial Post says Premier King has amazed Ottawa as a "man of action" since his election just over a month ago. Premier King and his party had very definite ideas of the course that should be followed, and, backed by a strong majority in Parliament for the first time during his Premiership, Mr. King is losing no time in following the charted course.

### Canadian Labor Codes
N. Y. Journal of Commerce

Canadian experience with the new labor code acts now in effect there demonstrates that the most serious mistakes of our N.R.A. are being repeated, according to analyses of these laws appearing recently in The Financial Post of Toronto. The Industrial Standards Act of Ontario and the Extension of Collective Agreements law in Quebec are actually lessening employment in the branches of industry where they have been in operation for a short time, the Canadian study concludes.

The principal trouble with the agreement already concluded is that wages have been almost uniformly increased, resulting in higher costs. The Post points out that with costs of living still high and farm purchasing power yet to stage a full recovery, such increases which lead to higher prices for industrial products are unwise.

### Unwise Industrial Codes
Kingston Whig-Standard

While we dislike, and are always suspicious of, governmental interference with business, we can imagine certain conditions where the Industrial Standards Act might operate to the benefit of the needle trades, and other trades where iniquitous sweat-shop conditions exist. Some of these trades may quite possibly come under the head of what Mr. Roebuck describes as "the chisellers, the pirates and the wolves of industry." That the act was intended to be used by labor organizations to force wage codes upon industries already paying fair wages and providing good working conditions seems almost incredible. Yet apparently that is what is happening.

As The Financial Post has ably and wisely pointed out on more than one occasion, the arbitrary raising of industrial wages at the present time before the farmer has had a chance to "chisel" even a little bit off the unpaid mortgage and get any benefit from rising prices, is creating a disequilibrium which is retarding prosperity and not helping it.

## *Other People's Views*

### Misleading Advertising
Whitby Gazette and Chronicle

Radio listeners who have lost patience with the volume of advertising which comes over the air will be interested in a report which has been made on radio advertising by the Federal Trade Commission of the United States. The Commission has made a thorough analysis of a great quantity of radio advertising material, and publishes its findings that a substantial percentage of that material is false and misleading.

In its investigation, the Commission found that over 38,000 radio advertising continuities were false and misleading. This should make radio listeners think seriously as they listen to the advertising messages being given over the air. They have no way of telling which messages are in the false and misleading class, and which are genuine and reliable. So the natural reaction is that, in addition to finding the excessive advertising obnoxious, they will mistrust it, because they will have no real assurance as to its genuineness.

In this respect, radio advertising differs from newspaper advertising. Newspaper advertising, appearing in printed form, is there in a permanent record, and can easily be checked up, and heavy penalties await the person who is responsible for the insertion of false advertising in a newspaper. There is not the same check on radio advertising, particularly on that which has its origin in another country, and which is thrust upon listeners who have no means of checking its authenticity.

### The Last Shot
By F.C.* in Quebec Chronicle-Telegraph

Premier Hepburn has fired the last shot.
He has committed
The Province of Ontario
To the humiliation
Of repudiating its hydro contracts,
With unprecedented legislation,
Precluding recourse to the courts.
No legislation so drastic
Has ever been imposed upon the public,
We cannot imagine
That the British North America Act
Permits one Province
To enact legislation
Injurious to the interests of another
Without judicial review and sanction,
So it is to be hoped
That our Provincial Government
Will render all possible aid
In forcing the measure
To the Privy Council
As it is legislation
Which affects every dollar
Invested in Canadian bonds
Throughout the British Empire.

* Easily recognizable as Hon. Frank Carrel.

## *In the Mail*

### Strong Central Government

Editor, The Financial Post:

I read The Post because it brings before one's attention important facts respecting the national affairs of Canada which the dailies fail to furnish.

Furthermore, as a reader of The Post I am more and more convinced that what Canada needs is a strong central administration capable of controlling the foolish spending of the provinces. The late eminent Edward Blake said that what Canada lacked was a national spirit.

You know, of course, the wise opinion of the late Professor James Mavor of Toronto University, respecting the too early formation of the western provinces. What that conscientious Scotsman foreshadowed has come to pass.

JAMES S. BROUGH,
Ottawa, Ontario.

## *Stop Me If You've Heard This One*

What kind of a fellow is Lawrence?

He can tell you how to adopt an improved system of currency which will pay off the national debt.

Has he made much progress with the plan?

No. He hasn't been able to pay his own store bills.


**Changing Conditions**

Conditions in the field of investment meet with frequent changes. The resources of our organization for securing authoritative information upon investment subjects are available to any of our clients.

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Lower St. Lawrence Power Co.
5% First Mortgage Bonds
Due October 1, 1955 Price: 100

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Ottawa Montreal London Hamilton

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330 Bay Street, Toronto ✦ ADelaide 6221

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ESTABLISHED 1886
MEMBERS TORONTO STOCK EXCHANGE
MEMBERS CANADIAN COMMODITY EXCHANGE

We have prepared an analysis on one of the promising junior gold properties which we will be pleased to mail on request.

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Liquidator, Receiver, Etc.
McKINNON BUILDING - TORONTO, ONT.

QUALITY ENGRAVING—*the Essential Safeguard in Monetary Documents*

*Over 100 years of dependable service*

"They Shall Not Pass"

That is what finely engraved bonds or stock certificates say to counterfeiters.

In effect the certificates are a treaty with the holder. If they cannot resist the invading counterfeiter, the treaty becomes a "scrap of paper"—defeating the whole issue.

Bonds and stock certificates achieved by us are safeguarded by the utmost quality the engraving art affords. They make "they shall not pass" an impregnable command to counterfeiters.

CANADIAN BANK NOTE COMPANY
LIMITED
*Head Office and Works—OTTAWA*
*—Branch Sales Offices—*
TORONTO MONTREAL

# Week in Business

### Motor Plants Keep Business Active

* * * *

### Mining Shipments Continue High

* * * *

### British View of Business Outlook

* * * *

Business activity last month was maintained at almost the high level of the previous month, The Post business index being but slightly lower (in preliminary form) than in October. The current level is nearly 9 per cent above the corresponding figure for this time a year ago.

The November showing would not have been so favorable if it had not been for exceptional activity in automotive circles due to the early showing of new models. Thus November production at 13,500 units was 695 per cent above the same month a year ago—a fact which undoubtedly contributed to the strong showing by iron and steel plants. Pig iron output production and steel production were both higher than a year ago by about 65 per cent. Rubber imports, reacting to increased demand for auto tires, rose to a new high point for the post-war period.

* * * *

Other favorable developments of the month were the continued high level of mining shipments. Silver shipments were exceptionally strong during the month the gain from a year ago being 128 per cent causing that index to rise from 77.6 to 125. Nickel exports were sharply higher for a gain of 97 per cent over a year ago. Gold shipments from the mint were smaller than last month by 20,000 ounces.

Foreign trade looked superficially better, the gain in exports from a year ago amounting to almost 30 per cent with imports higher by 12 per cent. But after seasonal adjustment the export index fell sharply while imports made a substantial forward move for this time of year. Building permits are still 25 per cent above last year's levels but the falling off in construction awards is responsible for weakness in the combined index. Forestry operations were better; textiles were nearly maintained while sugar production made a very sharp rise in the foodstuffs group.

* * * *

A British investment banking view of the outlook says immediate prospects are for growing business in most sections, but subject to sudden shocks from the outer world. "Everything must turn on the pacification of the warring, jarring nations. At best we may face a better year in 1936 than in 1935 caused by relief and return of moderate trading certainty. At the worst we shall face a complete disruption of the economic and political system of Europe. That worst we need not yet contemplate as anything but a vague bogey."

# Business Indicators

### Changes of the Week

(Compared with the same period last year)

**Favorable:**

Financial Post Business Index now 8.7 per cent higher than a year ago, though slightly below previous month's figure. Detailed changes in the three score items comprising the index are outlined above in Week in Business and in tabulation of November factors elsewhere on this page.

### Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

| | WEEKLY DATA —Latest— 1935 | 1934 | —Cumulative Total— Jan. 1 to date 1935 | 1934 |
|---|---|---|---|---|
| **Transportation—** | | | | |
| Car loadings (Dec. 7) | ▲44,921 | 43,418 | 2,236,566 | 2,206,235 |
| C.P.R. gross earn. (Dec. 7) | $ ▲2,793,000 | $ 2,611,000 | $ 120,885,000 | $ 117,445,000 |
| C.N.R. gross earn. (Dec. 7) | $ ▲3,442,867 | $ 3,002,948 | $ 161,652,653 | $ 154,551,028 |
| **Business Conditions—** | | | | |
| Weekly index D.B.S. (Dec. 7) | ▲96.7 | 97.1 | ...... | ...... |
| | MONTHLY DATA 1935 | 1934 | 1935 | 1934 |
| **Business Conditions—** | | | | |
| Financial Post index (Oct.) | 106.8 | 99.0 | ...... | ...... |
| **Transportation—** | | | | |
| C.P.R. net earnings (Oct.) | $ 4,249,343 | $ 4,100,679 | $ 15,636,102 | $ 17,770,787 |
| C.N.R. net revenue (Oct.) | $ 3,630,135 | $ 2,809,429 | $ 9,795,800 | $ 9,951,934 |
| **Iron and Steel** (Nov.) — | | | | |
| Pig iron production (tons) | ▲64,562 | 38,968 | 529,147 | 364,631 |
| Steel ingots and castings prod. (tons) | ▲93,300 | 57,050 | 836,020 | 700,187 |
| **Automobiles** (Number)— | | | | |
| Passenger Car: | | | | |
| Domestic sales* (Oct.) | 2,939 | 1,992 | 72,422 | 58,699 |
| Factory output (Oct.) | 7,128 | 2,125 | 116,269 | 89,152 |
| Trucks and Buses: | | | | |
| Domestic sales* (Oct.) | 972 | 710 | 15,924 | 10,766 |
| Factory output (Oct.) | 1,185 | 1,655 | 29,394 | 23,309 |
| Exports (Oct.) | 3,931 | 3,778 | 53,416 | 41,197 |
| **Construction—** | | | | |
| Building permits (Nov.) | $ ▲3,315,001 | $ 2,622,534 | $ 43,846,688 | $ 24,935,704 |
| Contracts awarded (Nov.) | $ 8,290,800 | $ 10,451,500 | $ 155,940,100 | $ 119,749,300 |
| **Newsprint** (tons)— | | | | |
| Production (Nov.) | ▲262,854 | 240,869 | 2,508,557 | 2,358,097 |
| Exports (Oct.) | 240,421 | 204,904 | 2,053,207 | 1,932,918 |
| **Sugar** (lb.) | | | | |
| Melting & shipments§ | 86,100,288 | 88,258,195 | 716,071,482 | 689,342,405 |
| Manufactured§ | 129,825,202 | 126,421,593 | 754,506,205 | 713,483,860 |
| **Flour** (bbls.) | | | | |
| Production (Oct.) | 1,824,754 | 1,654,189 | 11,647,780 | 11,998,026 |
| Wheat flour exports (Nov.) | ▲525,368 | 504,384 | 4,437,229 | 4,712,981 |
| **Trade** (November)— | | | | |
| Imports | $ ▲55,975,290 | $ 49,884,153 | $ 511,762,626 | $ 474,362,249 |
| Exports | $ ▲85,316,722 | $ 65,676,916 | $ 662,076,389 | $ 592,589,409 |
| Wheat exports (bush.) (Nov.) | ▲26,575,296 | 18,769,770 | 148,129,229 | 150,576,163 |
| **Employment, D.B.S. Index** (Nov. 1) | | | | |
| All industries | 107.1 | 100.2 | ...... | ...... |
| Manufacturing | 103.5 | 92.8 | ...... | ...... |
| **Electric Power Output** (Oct.)— | | | | |
| Total monthly (000's omitted) | 2,162,569 | 1,853,226 | 19,104,570 | 17,153,078 |
| Aver. daily | 69,761,000 | 59,782,000 | ........ | ........ |
| **Other Industrial Indices—** | | | | |
| Lumbering: | | | | |
| Plank & board exports, mill (Nov.) | ▲121,444 | 120,558 | 2,225,518 | 1,269,364 |
| Boot & shoe prod., pr. (Oct.) | 1,911,713 | 1,782,172 | 18,440,551 | 15,005,689 |
| Crude petrol, imp. gal. (Nov.) | ▲137,399,424 | 124,044,284 | 1,101,150,914 | 1,027,544,508 |
| Cotton imports, lb. (Nov.) | ▲13,814,244 | 18,477,832 | 98,439,717 | 124,874,268 |
| Raw rubber imp., lb. (Nov.) | ▲9,832,033 | 3,511,869 | 54,443,678 | 57,320,442 |
| Coal imports, tons (Oct.) | 1,314,128 | 1,560,763 | 10,848,459 | 11,363,801 |
| **Finance—** | | | | |
| Bank debits (Oct.) | $ 52,907,516 | $ 3,409,876 | $ 25,592,251 | $ 26,734,294 |
| Bond sales (Nov.) | $ 131,418,000 | $ 4,849,381 | $ 854,890,929 | $ 604,986,601 |
| Life insurance sales (Oct.) | $ 30,416,000 | $ 31,342,000 | $ 297,678,000 | $ 306,160,000 |
| **Automobile Financing—** | | | | |
| Used cars (Oct.) | $ 1,265,339 | $ 1,075,877 | $ 15,937,554 | $ 12,271,446 |
| New cars (Oct.) | $ 1,096,937 | $ 930,492 | $ 19,382,187 | $ 15,271,867 |

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000s omitted. §For 4 weeks to Nov. 2.

# November Paper Output Continues at High Level

**From Our Own Correspondent**

MONTREAL.—Final returns on newsprint production in Canada for November, as prepared by the News Print Service Bureau, show that while output did not establish a new all-time monthly record, it was within a few thousand tons of the largest monthly total ever produced.

Production in Canada last month totalled 262,854 tons, or about 4,000 tons less than the record October production. Shipments aggregated 285,179 tons.

Production in the United States was 78,929 tons and shipments 80,855 tons, making a total United States and Canadian newsprint production of 341,783 tons and shipments of 366,054 tons.

Last month Newfoundland mills turned out 28,567 tons and Mexican mills 2,045 tons. This made a total North American production for the month of 372,395 tons, compared with 346,189 tons for the corresponding month last year.

Canadian mills produced 148,809 tons more in the first eleven months of 1935 than in the corresponding period of 1934, an increase of 6 per cent.

Newfoundland Light and Power Company, Limited

4½% First Mortgage Bonds Due Jan. 1, 1956

Price: 99½ and interest

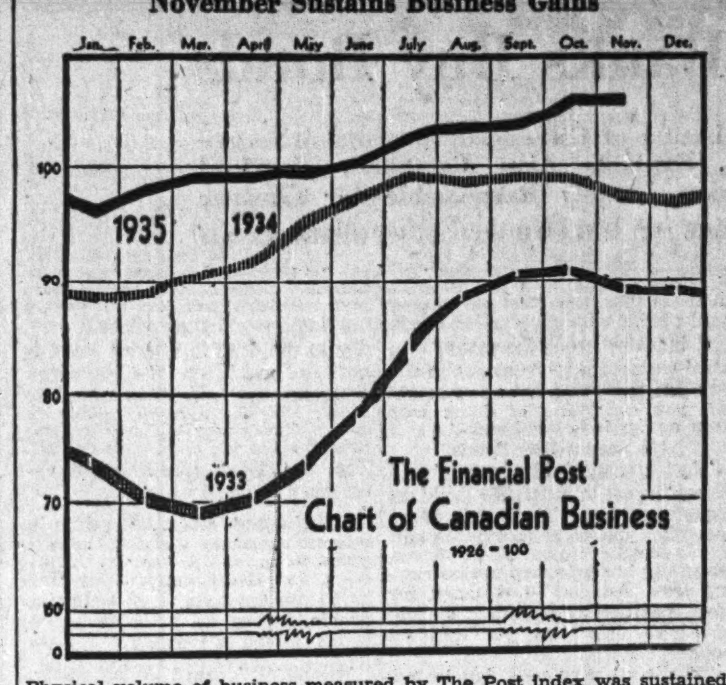
Circular on request

Royal Securities Corporation Limited

244 St. James Street, Montreal — 330 Bay Street, Toronto 2

Offices throughout Canada, also in New York and London.

## November Sustains Business Gains




Physical volume of business measured by The Post index was sustained at almost the same figure in November as the previous month, according to preliminary estimates. Activity in base metals, financial factors and the extra-seasonal spurt of the motor industry due to early presentation of 1936 models were chiefly responsible.

## Background of Business

# Sugar Tax Stays?

### Ottawa Likes it—New Textile Fabric —Furniture Show—Trade Pact Views

Current opinion at Ottawa leans (unofficially) to the view that the next federal budget will contain no relief for housewives and sugar refiners in respect of the one per cent sugar tax.

Originally the tax was two cents, later reduced to one cent per pound. It has netted as much as $11 millions in one year to federal finances and can be depended upon to net at least $9 millions annually.

It is a nice easy tax to collect, there being less than a dozen companies in the field and present indications are that Ottawa will not relinquish this source of revenue when it comes to looking over the field in the spring.

* * *

### Steel Prospects

Estimated business ahead of Canadian steel mills is reported to be sufficient to maintain operations at 60 per cent of capacity for several months to come. Some plants are reported as a month behind on deliveries although running at capacity.

Both export and domestic shipments are greater than for some time and as the outlook for automobile and farm implements is encouraging, favorable conditions are expected to continue. A gradual increase is taking place in the pig iron melt with indications of improvement in the near future.

* * *

### P. E. I. Views Trade Pact

J. W. Boutler, manager of the Prince Edward Island Potato Growers Association, feels the seed potato quota allowed by the Canadian-United States trade agreement was too small to give any great assistance to Canadian producers. The view is confirmed by other potato wholesalers according to Charlottetown reports.

The islanders welcome the reduction but hoped it would have been increased.

Silver fox ranches gain no direct benefit but other raw furs get better access to U.S. markets.

The island fishermen claim to be little affected by the new regulations as lobsters, oysters, and cod are the principal catch on the island and these items are unchanged. Co-operative organizations, however, are said to be jubilant over the reduction given on turnips.

* * *

### U. S. Samples in Free

One concession in the U.S.-Canada trade pact which should aid U.S. manufacturers is the provision whereby commercial travellers from the U.S. may import their samples temporarily for use in taking orders and not for sale. The new basis permits these to enter upon the deposit of an amount equal to the duty plus taxes ordinarily payable on such goods. This will be retained as a bond or deposit to be refunded upon exportation of the samples within one year from the date of importation.

* * *

### Belleville Viewpoint

Here is how a bank manager in a typical Ontario town (Belleville) views the recent U.S.-Canada trade pact. He finds favorable comment from farmers who look for the agreement to improve the price of beef cattle and milch cows, especially of pure bred type.

The drop in cheese duties from seven to five cents is greeted with approval and is expected to benefit producers in the area who look forward in particular to a fairly good new market in New England. Telegraphic enquiries about prices and quantities have already been received.

Three corporations, namely, Stewart Warner Corp., American Hardware, and Belleville Sargent & Co. are concerned about the loss of a part of their protection from American goods. "Only time will show," says the banker "how serious this may prove to be."

Canners are found apprehensive that the freer entry of American fresh vegetables through the winter season will prejudice their sales of the canned product.

* * *

### New Rates for Ad. Matter

Another benefit of the most-favored-nation treatment to the U.S. is new low rates on small packages of advertising matter, etc., sent by mail on which duty is prepaid by means of customs duties stamps. The new low rates are available under the provisions whereby duty on advertising matter entering Canada from the States will be 12½ cents per lb. instead of 15 cents per lb. (or 35 per cent ad valorem whichever returns the higher duty).

The following tabulation shows the new rates of duty on small packages of this sort sent by mail and using custom duty stamps.

| | Duty (cents) |
|---|---|
| Up to 1 ounce | 2 |
| 1 ounce to 2½ | 3 |
| 2½ ounces to 4 | 4 |
| 4 ounces to 5½ | 5 |
| 5½ ounces to 7 | 6 |
| 7 ounces to 8½ | 7 |
| 8½ ounces to 10 | 8 |
| 10 ounces to 11½ | 9 |
| 11½ ounces to 13 | 10 |
| 13 ounces to 14 | 11 |
| 14 ounces to 15 | 12 |
| 15 ounces to 16 | 12½ |
| Each additional pound | 12½ |

* * *

### Cutting Truck Costs

Lake Simcoe Ice & Fuel Co. operating 124 trucks (mostly 2-ton) in the Toronto area have adopted a few simple rules effecting tremendous savings in fleet operation costs, says Bus & Truck Transport. Rules were drawn up in 1933 when the company, faced with the need of cutting down expenses, made a systematic survey of delivery operations.

The most important change was the decision to instruct all drivers to shut off the engine at all stops. By actual test the enforcement of this rule showed that in one month despite increased mileage of almost five per cent, gasoline consumption dropped 16.3 per cent. Since the rule was in force, it is found that there has been no decided increase in bendix trouble due to more frequent starting and that contrary to expectations there is even less trouble with batteries than before.

Two other rules; namely, to retard the spark when starting and to always start the car in low gear were drawn up to save additional strain on the car.

* * *

### Best Shipping Season

Last week saw the end of the best shipping season at the Superior lakehead since 1929. Officially navigation ended at midnight December 12 when the second extension of hull insurance rates expired. Ice had already covered slips and harbor sections at Thunder Bay the day previous.

Port Arthur reported 403 package freighters during the summer and fall compared with 397 last season with considerably greater average cargoes and the large increase in the amount of freight handled over a year ago. The biggest day in the grain movement was November 30 when 20 vessels carried more than 5,000,000 bushels eastward. Total grain clearance since navigation opened was 187.8 million bushels. About 50 million bushels will be stored for the winter, part of which will stay in 16 grain boats wintering in Fort William and Port Arthur for the season.

* * *

### New Textile Fabric

Lancashire textile machinery experts are reported to be exhibiting much interest in the invention of a machine by a Canadian chemist which makes possible the production of a new fabric made of flax and cotton.

It is said that for more than a year experts have been perfecting machinery for preparing flax for spinning with cotton under the Canadian chemist's process. Part of the flax which was previously a waste product has now been transformed into a valuable raw material used in the production of a cheap linen-like fabric which takes dye as well as the best linen. If the process works out, as hoped for, a near revolution in summer dress and suit styles may materialize.

* * *

### New Furniture Show

Canada is to have its own trade show for furniture and allied industries. First venture in this field will be undertaken by E. M. Wilcox in the form of a trade exhibition at Montreal the week of January 6. A similar show will be held in Toronto Jan. 9-18. Exhibits will include furniture manufactures as well as the electrical radio and kitchen equipment industries.

Mr. Wilcox was manager of the recent Produced-in-Canada Exhibition at Montreal.

* * *

### Postal Revenues Rise

Even stamp collectors are interested in business conditions. Thus, when members of the Winnipeg Philatelic Society met recently in that city they listened to W. F. Lough, director of Postal Services at Winnipeg, discuss the business outlook from the postman's viewpoint.

"Post office receipts" said Mr. Lough "were ten per cent higher in October than those last year while in November in Winnipeg they were up 14.8 per cent. There is no better barometer of business than post office receipts."

## Commodity Prices

| | Latest week | Previous week | Same week last yr. |
|---|---|---|---|
| Cattle | $6.50 | $5.85 | $5.75 |
| Hogs | 8.75 | 8.75 | 8.70 |
| Copper, lb. | .09¼ | .09¼ | .09 |
| Cotton, lb. | .1190 | .1220 | .1280 |
| Rubber, lb. | .1313 | .1312 | .1290 |
| Sugar, raw, lb. | .0310 | .0310 | .0263 |
| Silk, lb. | 1.96 | 1.99 | 1.40 |
| Wheat (Man.) bus. | .84⅝ | .84⅛ | .78¼ |
| Coffee, lb. | .06⅝ | .06⅜ | .09⅜ |
| **Weekly Indices** | | | |
| N. Y. Annalist | 129.1 | 129.9 | 117.4 |
| Fishers' | 84.0 | 84.6 | 78.6 |
| N. Y. Journal of Comm. | 80.5 | 81.1 | 77.0 |
| Crumps (Brit.) | 68.6 | 68.6 | 64.3 |
| U. S. Labor | 80.8 | 80.6 | 76.5 |
| Canada (D.B.S.) | 72.7 | 72.9 | 71.4 |

| Monthly Indices Canada (D.B.S.) | Latest month | Prev. month | Same last year |
|---|---|---|---|
| Retail (Nov.) | 80.6 | 80.4 | 79.3 |
| W'sale (Nov.) | 72.7 | 73.1 | 71.1 |
| U. S. Labor (Oct.) | 80.7 | 80.5 | 76.5 |
| Gt. Brit. (Oct.) | 77.4 | 75.7 | 70.5 |

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price, Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

## Monthly Business Summary

**Major Canadian Economic Factors**

| | November, 1935 | % change from Nov. 1934 |
|---|---|---|
| **Post business index** | 106.7 | +8.7 |
| Wholesale prices | 72.7 | +2.3 |
| Stock prices | 105.8 | +23.0 |
| Shs traded, Mtl., No. | 809,693 | +109.9 |
| Dom. bond yields | 134.2 | +3.6 |
| *Bank deposits | 109.7 | +8.9 |
| Mineral production; | | |
| Copper exports, cwt. | 267,884 | —41.2 |
| Nickel exports, cwt. | 148,571 | +97.1 |
| Zinc exports, cwt. | 242,360 | +9.5 |
| Gold shipments, oz. | 274,906 | +6.8 |
| Silver shipments, oz. | 2,119,767 | +127.8 |
| Manufacturing production: | | |
| *Flour prod., bbls. | 1,824,754 | +10.3 |
| Rolled oats prod., lb. | 19,488,481 | +16.7 |
| Cattle slaught., No. | 122,457 | —5.9 |
| Hog slaughter., No. | 256,361 | —11.4 |
| Raw cotton imp., lb. | 13,814,244 | —25.2 |
| Cotton yarn imp., lb. | 429,316 | —8.6 |
| *Leather boot & shoe prod., pairs | 1,447,039 | +1.9 |
| Newsprint prod., tons | 262,854 | +9.1 |
| Steel ingot prod., tons | 93,300 | +63.5 |
| Pig iron prod., tons | 64,562 | +65.7 |
| Auto. prod., No. | 13,496 | +695.3 |
| Petroleum imp., gal. | 137,399,424 | +10.8 |
| Crude rubber imp., lb. | 9,832,033 | +180.0 |
| Exports of planks & boards, ft. | 121,444,000 | +0.7 |
| Contracts awarded, $ | 8,290,800 | —20.7 |
| Building permits, $ | 3,315,001 | +26.4 |
| Carloadings, No. | 214,093 | +1.4 |
| Imports, $ | 55,975,290 | +12.2 |
| Exports, $ | 85,316,722 | +29.9 |

*Previous month.

## Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, follows:

**Italy**—Industry remains extremely active, though many branches are hampered by lack of raw materials and prices are steadily rising.

**Argentina**—Abundant rainfall has improved the agricultural outlook, exports increased in October.

**Japan**—Encouraging factors predominate, including foreign trade expansion and advances in commodity prices.

**Germany**—A marked deterioration in general economic conditions and in business sentiment has occurred.

**Philippines**—Gold production continues to break all records.

Penmans

Pen-Angle Knit-Goods Warranted

Manufacturers of High-Grade
KNITTED UNDERWEAR
HOSIERY
AND OUTERWEAR
Mills at: Paris, Brantford, London, Waterford, Ontario; Coaticook and St. Hyacinthe, Quebec.
PENMANS LIMITED
General Offices: PARIS, ONT.

Conversion Offer:

Maritime Telegraph & Telephone Company Limited

Thirty-Year Refunding and General Mortgage Bonds, Series "B"

6% to July 1, 1941 — 4½% thereafter to maturity

To be dated January 1, 1936 — To mature January 1, 1966

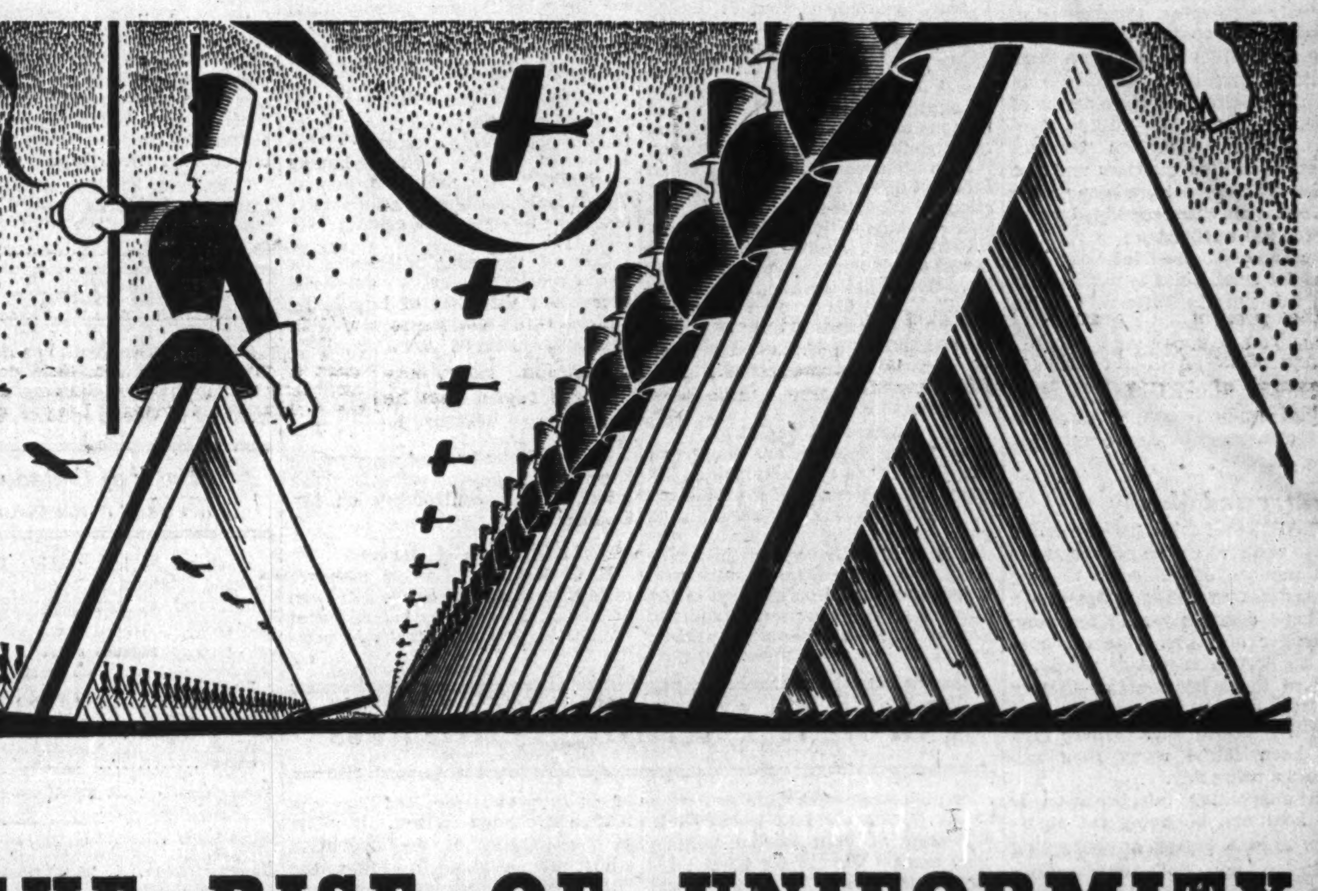
As underwriters of this issue, we will accept in exchange for the Company's presently outstanding 6% First Mortgage Bonds, due July 1, 1941, which have been called for redemption on January 1, 1936, an equal par value of the Series "B" Bonds, above mentioned, in multiples of $500.

This offer to convert the 6% First Mortgage Bonds into the Series "B" Bonds expires on December 31, 1935, prior to which date bondholders should communicate with our nearest office if they wish to take advantage of the conversion offer.

VANCOUVER
OTTAWA
QUEBEC
SAINT JOHN
MONCTON
FREDERICTON
CAMPBELLTON
CHARLOTTETOWN
HALIFAX

W. C. Pitfield & Company Limited

235 St. James Street, Montreal — 80 King Street West, Toronto



THE RISE OF UNIFORMITY

Though Canada is a bi-racial country, there are in reality only geographical differences in the buying map of the Dominion. City is linked to city, town to town, village to village, by a chain of uniformity. From Halifax to Vancouver, people are thinking similarly on similar subjects, reading the same books, using the same brands of merchandise. . . . . . . .

One of the most powerful factors in welding these thousands of people into a uniform thinking and purchasing pattern has been the national magazine. Through its editorial enterprise, the magazine has tapped the sources of science, invention and ideas—brought the tidings to readers and influenced living standards until people from sea to sea have enriched themselves and their homelife by accepting the modern services, refinements and products with which they were made familiar by their favorite magazine.

The national magazine returns mounting dividends on every advertising investment, because it is regarded by its readers as an authorized herald of improvement and progress; because advertising in its pages is read in leisure hours with goodwill and interest; and because it advertises a product or service simultaneously to the biggest percentage of "able to buy" homes in every community.

Chatelaine • Maclean's Magazine • Canadian Magazine
Canadian Home Journal • National Home Monthly

PROVIDE A NATIONAL COVERAGE ACROSS CANADA

# Bank Chat

### *Forced Interest Cut*

FROM a casual glance at the bank statements which have appeared to date it may appear that cuts made in the interest rate paid on deposits were essential from the bank's viewpoint to offset declining investment and loan revenue. Sir Charles Gordon, however, maintains that there is a definite tie-up between the two. In order to secure lower interest rates on government loans, the government and the Bank of Canada are said to have exerted pressure to depress the general level of such rates.

An important part of the programme, naturally, was a lower return on bank deposits. Consequently, while the deposit interest cuts aided the banks in effecting a substantial saving in outlay, the policy also was a contributing factor to the lower return received on bank investments.

Sir Charles's contention that a reduction in the rate paid on deposits is in a sense a concealed method of taxation is well taken. Bank depositors have paid, in a measure at least, through a lower interest yield, for a saving made by the Government in the cost of obtaining its funds.

Critics of bank administration would do well to keep considerations such as these in mind when accusing the banks of a selfish motive in cutting rates.

* * *

### *Millions in Coins*

IN THE spring of this year, 428,120 silver dollars were minted in Canada by the Royal Canadian Mint. Of the 417,760 of these which were issued to the public, very few are actually in common circulation. Most have been "hoarded" by collectors, legitimate and otherwise, to be kept as souvenirs or keepsakes. A good many Canadians are still unfamiliar with the discs and are quite willing to take out of circulation any which may be lying around loose.

Evidently a similar fate has befallen the silver 20-cent coins. So rarely are these seen nowadays that it is not generally realized that such pieces have been minted. Yet there are 46,000 in existence.

As might be expected, the number of the more familiar coins varies inversely with value. Commonest of all is the one-cent piece, of which more than 279 millions have been struck. Going down the scale in terms of number, or up in terms of value, more than 90 million five-cent pieces, 86 million ten-cent pieces, 44 million quarters and five million half dollars have been placed in circulation. The combined value exceeds $30 millions.

The annual pre-Christmas demand for small coins is particularly keen this year in Toronto. Outside bank branches are being called on to ship one-cent pieces to meet the "emergency." The reasons given are Christmas business and price-fixing so that coppers are required to make change.

* * *

### *Resurrected Money*

SPEAKING of coins, the depression has resulted in the reappearance of a number of old coins bearing dates of many years ago. Many have not been commonly seen for quite a number of years. One explanation apparently is that as the pinch of hard times became increasingly felt, the coins were resurrected from the "family sock" where they had been salted away long ago against a rainy day.

An alternative interpretation is that hoarders, believing the emergency to have passed, are beginning to loosen up. Both explanations have supporters among bank managers.

Despite the fact that no interest was earned on the hoarded coins, owners may possibly find that they have appreciated above their face value because of their value to collectors.

* * *

### *French Finance*

DESPITE the enormous volume of the gold movement from France in recent weeks, the flight has been on a considerably smaller scale than in the period just before the franc was stabilized at the present level in 1927. Just what has been done with the gold? Some observers believe that the money - cautious Frenchman, with grave misgivings on President Roosevelt's policies, would hesitate to invest in American securities. And apart from gold shares, the French have never evinced partiality for English investments. Consequently, it is probable that much the greater part of the gold which has been shipped is now in the form of hoards or bank balances.

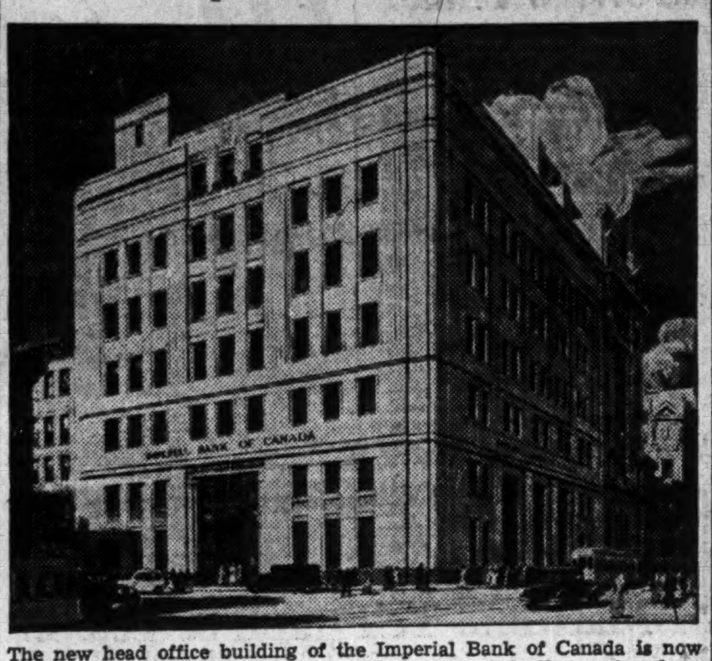
Although the strain has eased somewhat recently, France is still far from out of the financial or political woods.

Burdened With Responsibilities

It is unfair to your friends or relatives to burden them with the responsibility of managing your Estate. This responsibility placed in the hands of a Trust Company, where an especially trained personnel lends its accumulated knowledge and experience to the management of the Estate, constitutes the greatest safeguards for your heirs.

MONTREAL TRUST COMPANY
61 Yonge St., Toronto
J. F. HOBKIRK, Manager

## Imperial Bank Head Office



The new head office building of the Imperial Bank of Canada is now almost completely finished. Toronto branch is gradually moving from the old quarters into the new location, and it is expected that transfer of the head office staff will be made early in the new year. The building, situated at King and Bay Sts., Toronto, is estimated to have cost $750,000.

# *Ashley Takes Exception To Contentions of Bankers*

Editor, The Financial Post:

My questioning of the validity of Jackson Dodds's arguments in his address to the Canadian Bankers' Association has brought forth replies from "Shylock" and "Ex-Banker."

"Shylock," I think, can hardly have paid any attention to the speech or my letter. He writes: "I gather from Mr. Ashley's remarks that he favors a policy of inflation."

What I actually wrote was, "You will not, I hope, conclude that I am advocating the nationalization of banks or a policy of inflation."

**Ridicule of Bankers**

"Ex-Banker" says that it is inconceivable that Sir Charles Addis ridiculed fellow members of his profession, and asks me to quote the words of Sir Charles in their proper setting. I said that Sir Charles ridiculed the chief proposals of the banks as to monetary policy before the Macmillan Commission. The setting is to be found in pages 3,412 to 3,448 of the evidence; of the only major proposal of the banks he said, "If I might sum it up in one word, I fear, gentlemen, that it would prove to be a fifth wheel of the coach. I do not believe it would improve your present system in any way." Ridicule may take the form of anything from gentle irony to raucous merriment; I did not intend to attribute the latter to Sir Charles.

I am accused of mis-quoting when I did not quote, and of misrepresentation by introducing "into a discussion of malignant currency inflation, to which Mr. Dodds limited his remarks on inflation, the effect . . . of Mr. Bennett's inflationary policy . . . ." Mr. Dodds gave no indication that he was speaking only of malignant inflation; a limitation of such importance should be made very positive, and it would have made his remarks irrelevant.

**Interest on Deposits**

As far as deposits are concerned "Ex-Banker" is not convincing. He states that as a result of the abolition of interest on savings accounts "a great number of the small ones would in due time vanish into hiding places in the form of solid coin, larger ones would be hoarded in the form of legal tender notes, and the substantial round amounts would be converted into interest-bearing government bonds." What better place than a bank could be found in which to hide or hoard? The safety and convenience of a bank account on which cheques can be drawn are so tremendous that there is no reason why anyone in his senses should start to excavate in his garden for a better 'ole.

What of the substantial round amounts which are to be converted into bonds? Suppose a man has a savings deposit of $5,000 and he places an order for government bonds: his bank does not know of this and has no reason to sell bonds as a result of his action. The bonds are bought, and in payment he draws a cheque which is immediately deposited in a bank; there is nothing in these transactions to change the total of bank deposits or the total holdings of government bonds by the banks.

"Ex-Banker" says, "It is thus easy enough for a practical banker to follow the course of a savings deposit withdrawn for the purpose indicated . . ." I fear he exaggerates his perspicacity, and I repeat that the Canadian Macmillan Commission (on which three practical bankers sat) did not agree with him.

**Liquidating a Bank**

"Ex-Banker" is so kind as to refer to "the perfumed atmosphere of the textbook" and "shadow-boxing academies." He must not assume that it is impossible for a university professor to come into contact with "reality."

One of the most interesting of my experiences as a chartered accountant was that of liquidating a bank whose failure was caused by practical bankers, through their lack of sound banking theory or their unwillingness to apply it.

C. A. ASHLEY.

Toronto.

Editor's Note: Lack of space necessitates the conclusion, with the above letter, of the controversy on Mr. Dodds's speech.

**E. C. MacLeod Honored**

E. C. MacLeod, London manager of the Bank of Nova Scotia, has been elected chairman of the committee of the British Overseas Banks Association.

# *Foreign Exchange Markets*

Foreign exchanges were generally steady during the past week. Daily purchases of gold in the London open market, chiefly for foreign interests, are said to be an important factor in lending steadiness to sterling at a season of the year usually recognized as the peak of seasonal pressure against the pound on commercial account. The franc has firmed to a point where it is reported no support is required from the British exchange control. In view of the pegging of the Argentine wheat price at about 90 cents at the current peso exchange, grain traders in particular are watching fluctuations very closely. The exceptionally high wheat price is regarded in some quarters as a prelude to devaluation of the Argentine currency.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

| | Par $ | Dec. 10 | Dec. 11 | Dec. 12 | Dec. 13 | Dec. 14 | Dec. 16 |
|---|---|---|---|---|---|---|---|
| U. S. dollar, High | .5906 | 1.01 1/16 | 1.01 1/16 | 1.01 3/32 | 1.01 | 1.00 31/32 | 1.01 1/32 |
| Low | .5906 | 1.01 1/16 | 1.01 1/16 | 1.01 1/32 | 1.00 31/32 | 1.00 31/32 | 1.00 31/32 |
| 1934, High | .5906 | 0.97 11/16 | 0.98 1/16 | 0.99 1/16 | 0.99 1/16 | 0.99 | 0.98 15/16 |
| Low | .5906 | 0.97⅞ | 0.97 15/16 | 0.98 1/32 | 0.98⅞ | 0.98 15/16 | 0.98 15/16 |
| U. K. pound | 4.8665 | 4.98¼ | 4.97¾ | 4.98 | 4.97 | 4.96⅞ | 4.98 |
| Argentina | .4246 | .2781 | .2780 | .2780 | .2774 | .2772 | .2779 |
| Australia | 4.8665 | 3.9804 | 3.9751 | 3.9771 | 3.9695 | 3.9670 | 3.9769 |
| Austria | .1407 | .1903½ | .1906 | .1907 | .1903 | .1901 | .1905½ |
| Belgium | .1392 | .1703½ | .1703 | .1706 | .1701¼ | .1701 | .1704½ |
| Brazil | .1963 | .0566 | .0566 | .0566 | .0564¾ | .0555 | .0556 |
| Czechoslovakia | .0296 | .0419¼ | .0419½ | .0419½ | .0419½ | .0418¾ | .0419½ |
| Denmark | .2680 | .2227 | .2223¼ | .2223¼ | .2219½ | .2218¾ | .2223½ |
| France | .0392 | .0667 | .0667¼ | .0668¾ | .0666¾ | .0666¾ | .0668 |
| Germany | .2382 | .4067 | .4067¾ | .4068¾ | .4059 | .4055½ | .4065½ |
| Greece | .013 | .0095½ | .0095¼ | .0095½ | .0095¼ | .0095 | .0095½ |
| Holland | .4020 | .6844 | .6844 | .6852 | .6830 | .6829 | .6842¾ |
| Hungary | .1749 | .3002½ | .3001½ | .3001½ | .2995 | .2994 | .2995½ |
| India | .3650 | .3796 | .3790 | .3787¾ | .3782½ | .3781 | .3788½ |
| Japan | .4985 | .2906½ | .2908½ | .2905½ | .2902¼ | .2898¼ | .2904½ |
| Jugoslavia | .1929 | .0231¾ | .0231½ | .0231½ | .0231½ | .0231 | .0232 |
| New Zealand | 4.8665 | ...... | 4.0151 | 4.0171 | 4.0095 | 4.0070 | 4.0170 |
| Norway | .2680 | .2506 | .2501 | .2503¼ | .2497¾ | .2497 | .2502½ |
| Poland | .1122 | .1912 | .1914 | .1915 | .1910 | .1905 | .1912 |
| South Africa | 4.8666 | 4.9604 | 4.9539 | 4.9564 | 4.9470 | 4.9439 | 4.9562 |
| Spain | .1929 | .1362 | .1383 | .1386 | .1381½ | .1381½ | .1384½ |
| Sweden | .2680 | .2571¾ | .2567 | .2569 | .2563½ | .2562½ | .2569¼ |
| Switzerland | .1930 | .3276½ | .3276 | .3283½ | .3272¾ | .3272¾ | .3280 |
| Hong Kong | .5422 | .3356¼ | .3340 | .3201½ | .3242 | .3216 | .3238 |

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# When Banks Buy Bonds

**Extensive Purchasing of Gilt-edged Government Securities, Explains Alan Campbell, Remford Banker, Largely Responsible for Cheaper Money — But Would Rather Make Loans**

By PETER THOMSON

With a frown Edward P. Marks entered the portals of the neo-Greek temple which housed Remford's largest bank. He had just left a board meeting of the Old Folks Home. There the high-school principal, with his bright new Ph.D. degree, had implied that the older members of the board were anything but up to date in administering the charity. There had been a scene, too, at breakfast with his daughter Alice, who, for the fifth time that week, had arrived home at four in the morning. And his temper was not improved by the cheery greeting of Alan Campbell, the bank manager.

That morning, in the columns of Remford Daily Bee and Scimitar ("The Paper With a Heart—And a Voice") Marks had seen the financial statement of Alan's bank. He lit into the manager with a will. "Well, Campbell," he said, "I saw in the Bee that you people are buying government bonds with our money instead of making loans to business men. No wonder recovery is slow."

**Borrowings Again**

Alan smiled. "You've always borrowed what you asked for..." he began, but was interrupted by a cheery smile from a little woman bustling along with a $5 bill clutched in her hand. "You look very pleased with yourself, Mrs. MacAllister," he said as he noticed her.

"Indeed, I have a right good reason to be pleased," she replied as she hastened toward the savings wicket.

"We had all this out a week ago," said Alan, turning back to Marks. "You admitted that the banks can only give credit to men like yourself with a reputation for paying their debts and who have the initiative to produce goods and find markets for them. Moreover...."

"Yes, yes, anyone knows that," interrupted Marks testily as his cigar ash fell on the counter. Without removing it, he continued: "But it is disgraceful.....it is a disgrace in times like these that our biggest banks bulge with government bonds, and industry needs the money..... what we need is more money in circulation, and you fellows buy bonds! All you can think of doing with your money is to buy bonds!"

**No Loans—Buy Bonds**

"Just a minute, Mr. Marks," said Alan, "just a minute. We can't get loans nowadays. You're borrowing less than you were four years ago. Prices of all commodities are lower. Naturally business men are borrowing less. And we're reaching for loans because we're getting a yield of about only two per cent on bonds."

"That's all very well, but let me tell you...," said Marks, but he was interrupted by Mrs. MacAllister returning from the savings teller. "Could you excuse me a minute, Mr. Campbell?" she asked hesitatingly.

"Of course, Mrs. MacAllister," answered Alan, "would you care to step into my office?"

"Heavens, 'tis nothing of a personal nature," she replied, "I wanted you to know that the mortgage interest on my house had been reduced."

"That's grand, Mrs. MacAllister. That's grand," said Alan. "I wish you'd tell Mr. Marks all about it."

Marks forced a smile and nodded to the little woman.

"I'll be glad to," she answered, "I just heard from the trust company that they'd take 5½ per cent instead of seven."

"Then that automatically increases the amount you have to spend?" asked Alan.

"Indeed it does that, Mr. Campbell. I thought you would be glad to know; things have been hard with me these last years." She nodded and left the two men.

**Cheaper Money**

Alan turned to Marks, saying: "All over the country that same thing is occurring today. Long term money can be borrowed cheaper than ever before. Individuals, corporations and municipalities are all paying less interest. The government debt, due to the drop in interest rates, is not so heavy on the taxpayer. Everyone has a lower overhead to carry; they have more money to spend. That's why business has improved since the dark days of 1932. The low interest rates have also encouraged business expansion."

"Yes," agreed Marks, "the drop in interest rates has certainly been a grand thing for the country. A fine thing for the country. But that hasn't got anything to do with you people putting all your money in bonds instead of industry."

"Hasn't it?" asked Alan quietly, "what produced the drop in the interest rate then?"

"Well...I don't quite know, but it seems that it just fell," murmured Marks.

**Banks Did It**

"The chief thing that has reduced interest rates," said Alan, "has been the purchase of government bonds by the banks. Their demand for bonds pushed prices up. Naturally interest rates on the high grade bonds fell. As interest rates fell on bonds, rates on all other forms of loans had to drop also. And it is these low, long term interest rates—which have been produced by the banks buying bonds—which are our best assurance that business will improve. Moreover, the country could not have weathered the depression without the financial support which the banks gave the governments and the municipalities."

"It sounds logical," Marks replied, "but I don't believe it. Not for a moment. You're just a good arguer, that's all. But you can't argue me out of everything."

**What Else**

"Why, what else is bothering you?" laughed Campbell. "But, by the way, I don't want you to think that the banks' buying of government bonds—so many of them—is any virtue on our part. It has lowered interest rates and that helps all borrowers. But we had to put the money in bonds because there was nothing else to do with it until business needs to borrow heavily again."

"You'll have to do a lot of explaining about the drop in purchasing power brought on by you fellows during the depression," said Marks, turning away to write out a cheque for $100.

Alan Campbell, bank manager, will continue to explain the "mysteries" of banking in further issues of The Financial Post.

## Staff Changes

**The Dominion Bank** has made the following staff changes:

C. W. McMICHAEL, formerly manager at Queen and Lee, Toronto, to be manager at Roncesvalles and Howard Park, Toronto.

G. R. COOK, to be manager at Queen and Lee, Toronto.

**The Imperial Bank of Canada** announces the following changes in staff, effective Jan. 1, 1936:

H. J. MORGAN, formerly manager at Weyburn, to be an inspector.

P. R. NEELY, formerly manager at Hague, Sask., to be manager at Weyburn.

L. F. FLEURY, to be manager at Hague, Sask.

## *Bank of Canada Weekly Statement*

Changes in last week's Bank of Canada statement were generally small and of relatively little importance.

**Balance Sheet**

| | Dec. 11 $ | Dec. 4 $ |
|---|---|---|
| **Liabilities** | | |
| Capital paid-up | 5,000,000 | 5,000,000 |
| Notes in circ. | 92,537,929 | 94,696,302 |
| Dep.: Dominion | 31,290,027 | 23,002,890 |
| Banks | 186,587,376 | 189,513,096 |
| Other | 1,192,957 | 1,186,708 |
| Total deposits | 219,070,360 | 218,702,694 |
| All other liabs. | 965,862 | 1,856,763 |
| Total liabs. | 317,574,151 | 320,255,759 |
| **Assets** | | |
| Reserve: Gold | 181,354,099 | 181,409,294 |
| Silver bullion | 1,465,249 | 1,703,650 |
| Res. in sterling | 868,340 | 146,573 |
| Res. in U. S. | 10,520,341 | 8,275,211 |
| Res. elsewhere | 11,508 | 9,306 |
| Total reserve | 194,219,537 | 191,544,034 |
| Subsidiary coin | 250,646 | 256,836 |
| Adv. to govt. | 2,223,375 | 2,224,062 |
| Investments: | | |
| Dom. govt. short. | 35,020,668 | 37,175,297 |
| Other Dom. govt. | 83,404,132 | 83,404,132 |
| Total invest. | 118,424,800 | 120,579,429 |
| Premises | 128,160 | 128,114 |
| All other assets | 2,327,632 | 5,523,285 |
| Total assets | 317,574,151 | 320,255,760 |
| Reserve ratio | 62.32% | 61.11% |

## Weekly Bank Clearings

| | Dec. 12 1935 $ | Change year ago % | Dec. 5 1935 $ |
|---|---|---|---|
| Halifax | 2,264,049 | +3.3 | 2,637,930 |
| Saint John | 1,862,319 | +14.5 | 1,877,992 |
| Moncton | 767,844 | +10.5 | 806,240 |
| Sherbrooke | 612,554 | +8.4 | 717,378 |
| Quebec | 4,140,978 | +12.8 | 5,963,628 |
| Montreal | 89,590,452 | —10.9 | 133,413,176 |
| Ottawa | 18,606,398 | +347.1 | 24,699,812 |
| Kingston | 567,978 | +5.5 | 653,470 |
| Peterborough | 671,967 | +19.6 | 653,510 |
| Toronto | 108,901,563 | —11.5 | 150,580,503 |
| Hamilton | 3,917,386 | +8.9 | 4,719,861 |
| Kitchener | 1,010,792 | +18.3 | 1,149,218 |
| Brantford | 814,632 | +17.1 | 974,699 |
| London | 2,781,382 | +16.1 | 3,371,181 |
| Windsor | 2,282,508 | +20.6 | 2,489,138 |
| Chatham | 505,614 | +4.1 | 576,500 |
| Sarnia | 503,192 | +32.6 | 488,460 |
| Sudbury | 968,656 | +35.2 | 847,148 |
| Fort William | 677,730 | +18.8 | 694,201 |
| Winnipeg | 47,713,152 | +0.2 | 63,220,516 |
| Brandon | 290,193 | +0.9 | 352,309 |
| Regina | 4,377,055 | +11.9 | 4,254,167 |
| Moose Jaw | 585,991 | +15.9 | 695,586 |
| Saskatoon | 1,532,544 | +9.7 | 1,827,030 |
| Prince Albert | 331,597 | +12.9 | 357,120 |
| Edmonton | 4,045,456 | —11.4 | 4,561,933 |
| Calgary | 6,884,623 | +20.1 | 7,447,853 |
| Medicine Hat | 258,379 | +12.7 | 314,022 |
| Lethbridge | 565,714 | +19.5 | 607,232 |
| N. W'minster | 508,166 | +19.5 | 575,388 |
| Vancouver | 17,166,857 | +23.8 | 17,643,008 |
| Victoria | 1,675,082 | +20.6 | 1,918,075 |

## Cand'n Bank of Commerce Closes Two Branch Offices

The Canadian Bank of Commerce is closing its branch in Star City, Sask., and its sub-agency in Blackstock, Ont.

Accounts with the Star City branch, in operation for the past 16 years, will be transferred to the local branch of the Bank of Nova Scotia.

The Canadian Bank of Commerce at Port Perry, parent branch of the Blackstock agency, will take over accounts now held at that sub-agency.

OUR Christmas Greeting
HAS A SANTA CLAUSE IN IT

WHAT we want most for Christmas is to give you a merry family holiday at Chalfonte-Haddon Hall. Santa will be here to cram the kiddies' stockings, leave gifts for the grown-ups, and trim the towering Haddon Hall tree.

We've gone him one better by planning a week of gay surprises and by cooking up a Christmas Dinner such as Santa himself might covet. You can work up an impressive appetite golfing, cycling, riding horseback.

Come down in time to see the Boardwalk on Christmas Eve; it's a jolly, brilliant spectacle. Then you'll be here for the carol singing round our tree on Christmas morning. Bring the family and stay the whole week. Ocean decks, game rooms, dances, concerts, and special holiday entertainments. Skating and ice hockey.

$7 up at Chalfonte, $8 up at Haddon Hall, single, American Plan. $5 up at Haddon Hall, single, European Plan. Special weekly rates.

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| | |
|---|---|
| Paid-up Capital | £ 8,780,000 |
| Reserve Fund | 6,150,000 |
| Reserve Liability of Proprietors | 8,780,000 |
| | £ 23,710,000 |
| Aggregate Assets 30th Sept., 1934 | £116,995,000 |

A. C. DAVIDSON, General Manager.
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The Gift Card to Carry Personal Greetings of
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622

# THE FINANCIAL POST

SECOND SECTION

Vol. XXIX | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, DECEMBER 21, 1935 | 10c a Copy; $5.00 a Year | No. 51

# Canadian Magazines Seeking Lower Taxes To Meet U.S. Rivalry

### Spend More on Editorial Contents if Taxes Lessened

### EFFECTS OF TREATY

### Concessions to U. S. Publishers Ignore Heavy Imposts on Canadian Product

By THOMAS C. THOMPSON

The myth of Canadian inferiority in the realm of periodical literature was exploded forever during the depression.

The story of how it was done, by adoption of a bold policy on the part of leading Canadian magazine publishers, is one of the least known and most amazing stories arising out of the world slump in business

For years, foreign and particularly United States publications have flooded Canadian markets, Canadians have been treated to the glorification of foreign institutions, history, and characters, and the Canadian consumer has been educated to the allegedly superior merits of foreign manufactured products advertised in these publications

**Checking Americanization**

In 1931, the Canadian government, seeking to slow up this process of Americanization of Canada, imposed a tariff on imported periodicals. It was frankly and avowedly a tariff on advertising, since the tax did not apply on periodicals containing less than twenty per cent of advertising content. The rate was two cents a copy on magazines containing 20 to 30 per cent of advertising, and five cents a copy on magazines containing more than 30 per cent of advertising.

A duty was also imposed, of 15 cents a copy, on fiction magazines of the "pulp" variety. These carried little advertising and the intention in this case was primarily to protect Canadian printers. The tariff was effective in having several scores of these magazines printed in Canada during the depression years, and has added about $250,000 a year to wages of Canadian printers and paperworkers. The fifteen cents a copy duty on pulps had little to do with the rise of Canada's finer quality magazines during the last few years.

**Prices Not Raised Here**

When the tariff on magazines came into effect in 1931, prices of nearly all foreign magazines were raised. Canadians, anxious to conserve expenditures in every direction, turned to their Canadian publications, which were not increased in price.

There is little doubt that many Canadian magazine buyers expected to see Canadian magazines take advantage of the new tariff to save money on editorial content and general appearances of the magazines. If so, they were pleasantly surprised.

Canadian publishers took advantage of the tariff to do exactly the opposite; to win their home market on merit.

**Improved Standards**

Improvements in the editorial, typographical, and illustrated features of the Canadian publications placed them on a plane fully equal to the imported product, so far as appearance was concerned, and often, because of Canadian publishers' and editors' understanding of Canadian tastes and interests, they were superior to the imported article.

Surrendering their opportunity for immediate profits, Canadian magazine publishers invested heavily in stories, first grade editorial personnel, and in the newest mechanical equipment. They commenced a drive for circulation which they knew would come with the higher standard of their publications once these had become familiar to Canadian readers.

One magazine for example, cut its price from 10 cents to 5 cents a copy to entrench itself in its home market. This is probably a unique example of a product, which although granted tariff protection, actually reduced its price to the consumer. It was nevertheless typical of the attitude adopted by leading publishers, in their effort to develop the Canadian market for Canadian products.

**U. S. Circulation Falls**

Meanwhile, the circulation of U.S. magazines in Canada commenced to drop, and there are no more startling statistical data of the depression than the record of circulation of domestic and imported magazines between 1930 and 1935.

Canadian circulation of 12 large U.S. magazines—the largest conveyors of U.S. advertising—plunged downward by 62 per cent between 1930 and June, 1935. The circulation of five Canadian magazines, representative of the higher grade of these publications, leaped 64 per cent in the same period.

The figures are given below.

**Duties in 1931-32**

The magazine duty on U. S. magazines was applied on newsstand copies in October, 1931, and on subscription copies, April, 1932.

**U. S. Publications**

| | Circulation Highest previous | June, 1935 |
|---|---|---|
| Sat. Evening Post.. | 138,575 (1927) | 52,652 |
| Ladies' Home J'r'n'l | 149,524 (1927) | 32,486 |
| Pictorial Review .. | 181,909 (1930) | 138,922 |
| Delineator ........ | 109,821 (1931) | 30,243 |
| Cosmopolitan ...... | 68,957 (1931) | 35,094 |
| Literary Digest ... | 57,888 (1929) | 2,325 |
| Woman's Home Companion ..... | 74,261 (1930) | 19,020 |
| Collier's ......... | 75,090 (1930) | 15,574 |
| Good Houskeeping | 78,616 (1931) | 45,830 |
| American Magazine | 43,658 (1930) | 11,289 |
| Red Book .......... | 61,853 (1930) | 20,569 |
| McCall's .......... | 159,472 (1930) | 68,985 |
| | 1,200,224 | 472,989 |
| Decrease .................. | | 62 per cent |

**Canadian Publications**

| | Circulation June 30, 1930 | June 30, 1935 |
|---|---|---|
| Maclean's Magazine .. | 163,041 | 232,276 |
| Chatelaine ......... | 120,665 | 211,942 |
| Nat'l. Home Monthly.. | 107,232 | 216,715 |
| Can. Home Journal ... | 132,112 | 215,208 |
| Canadian Magazine .. | 90,187 | 110,278 |
| | 613,237 | 1,006,419 |
| Increase .................. | | 64 per cent |

**New Eaton Company Is Internal Plan**

Announcement is contained in a current issue of the Canada Gazette of the incorporation of Eaton National Trading Co. "to carry on the business of wholesale merchants dealing in all varieties of goods, wares and merchandise." The company will have 50,000 shares of no par value. J. A. Livingstone, assistant secretary of T. Eaton Co., is listed as manager.

The Financial Post is informed that the new subsidiary of the big merchandising firm has been incorporated for company reasons to consolidate certain activities of the Eaton enterprise in Canada and that it does not imply any extension of Eaton operations into new fields.

First is shown the decline in the circulations of a number of leading U.S. magazines — periodicals that rank among the leading media of United States advertising in Canada. Then are shown the figures of a group of Canadian magazines indicating how they stepped in to fill their market.

The effect on Canadian reading habits, advertising, and consumer purchasing of Canadian products is obvious. The increase in plant extension, in employment, and in the use of raw materials, including paper and ink, at a time when the business slump was most severe, is equally significant.

**Now Flooding Canada**

But the reciprocity agreement with the United States has eliminated the duty on American magazines. A flood of U.S. publications is now sweeping over the border. Subscription agents and wholesale news dealers are making a concerted drive, almost unprecedented in scope, upon the Canadian consumer. Canadian manufacturers are expressing alarm as they see many thousands of tons of advertising material of American products poured in upon the Canadian people.

Canadian magazine publishers have not asked for the restoration of the duty on U.S. publications. But they are asking to be placed upon a basis of competitive equality with American publishers. Long before the late government imposed a duty they were in a difficult competitive position, forced to compete with tax-free, mass-produced American periodicals.

And their handicaps were increased during the depression.

**Costs Rise $52,000 Yearly**

One magazine, typical of the general situation, may be cited as an example of what happened when a depression-ridden government turned to the Canadian publishing business for further help in the form of increased taxation.

Cancellation of the drawback, in 1930, on the duty against magazine paper, increased the cost of this single item to one magazine, annually, by ............ $35,000

Cancellation of the 50 per cent exemption from sales tax on paper, in 1933, increased the costs of the same magazine, annually, by ........................ $ 5,000

Increase in the postage rate on magazines from 1 cent per pound to 1½ cents per pound, increased the annual costs of the same magazine by ................ $12,000

The total increase in costs to a single magazine, as the result of depression-levied taxation, is $52,000 annually, a sum that the magazine must absorb each year in addition to its normal production costs.

Canadian publishers did not long enjoy the 80 per cent drawback on magazine paper duties; in all only about two years, and the figure of $35,000 increased yearly costs as the result of cancellation of the drawback is conservative when it is noted that the basis is that of a small magazine issue. In normal years, with 64 to 80-page magazines the drawback would have amounted to a considerably higher figure. As a result this item alone has added considerably to the duty enhanced prices of raw materials used by Canadian magazine publishers.

In the case of postage rates, Canadian magazine publishers formerly paid a cent a pound postage, but since most of the production of Canadian publishing houses is circulated by mail, the increase for one magazine, when the 1½ cent rate came into effect, was $12,000 yearly on its postage bill.

**Paper Costs Soar**

Cancellation of the 50 per cent exemption which the Canadian publisher had previously enjoyed, on the 6 per cent sales tax on magazine paper, came into effect in March of 1933. The tax has previously been increased from 1 to 6 per cent, and after March, 1933, publishers paid the full 6 per cent. In the case of one magazine, noted above, the increase in sales tax amounted to $5,000 for paper alone, while the total amount being paid in sales tax at the 6 per cent rate is over $13,000 annually if paper, electros, engravings, offset rolls, ink, and press rollers are included.

Paper, however, is a vitally important item among the raw materials which the publisher buys at duty enhanced prices. The U.S. publisher buys paper in the world's cheapest markets; he makes that paper into a magazine and ships it into Canada, paying no duty, no sales tax, and a 3 per cent import tax on only the proportion of his copies sent into Canada in bulk.

The Canadian publisher on the other hand, who buys his paper from Canadian mills pays for it a duty enhanced price that is approximately equivalent to the U.S. price—plus 22½ per cent, plus sales tax, plus import tax.

Import duties are paid by the Canadian publishers on all supplies they have to import, and sales tax is paid on all supplies whether imported or not.

**No Easing of Burden**

With the removal of the tariff on U.S. magazines, there has been no easing of the tax burden on Canadian publishers who, alone among Canadian business enterprise, must pay duty on all their raw materials, produce their magazines in Canada with Canadian workmen, and yet sell their products in competition with foreign magazines which pay no duty—and which are able to produce in one of the lowest cost areas in the world.

Executives of Canadian magazine publishing houses say candidly that concern is beginning to be felt over their ability to continue indefinitely meeting the penalizing costs of doing business in Canada.

**Publish in U.S.?**

They point to the advantages of the U.S. publisher and the possibility is seriously discussed of publishing their magazines in the United States where low costs and a duty free entry into Canada would be possible. The anomaly of publishing Canadian magazines in the United States, for Canadian readers, is not unlikely, it is held, since the saving in cost would be appreciable and editorial content could be forwarded from Canada, by Canadian writers.

Under the circumstances it is not surprising that cancellation of the heavy taxation on Canadian publishing companies competing with U.S. houses is urged by executives in Canada. They assert they are fully satisfied to stand or fall by the merit of their own publications, reader interest, circulation, and advertising revenue except to the point that the whole structure is imperilled by the unfair financial advantage given the foreign publisher.

The publishers are not asking restoration of the tariff on imported magazines but they ask tariff and taxation treatment that will partially equalize their competitive position.

**Premier King's View**

They recall that Premier King, as long ago as 1931, went on record as saying that "I deplore any tax that will in any way restrict the widest spread of views and ideas throughout communities, particularly communities that are neighbors."

No issue is taken with this broad policy. But Canadian publishers who have made huge investments in plant and equipment suggest that Mr. King's policy also be applied to Canadian periodicals, carrying Canadian ideas and Canadian advertising.

As publishers they agree with Mr. King in the free dissemination of thought in literature. They are certain, moreover, that, given equal treatment with the foreigner in their own country, the Canadian product in this branch of human activity can compete with any in the world.

**More For Editorial Content**

They are prepared to back their belief by appropriating more funds than ever for expenditures that will encourage the development of Canadian writers, and attract the highest quality of reading matter to their own publications. Given equal competitive opportunity they regard money thus spent as the best form of investment for themselves and their Canadian readers.

"The magazine publishers," said one leading magazine executive, "are asking only for justice and equity, and all taxation which does not apply against their competitors should be removed from the duty enhanced price of raw materials and equipment necessary for the manufacture of magazines in this country. This would mean," he added, "duties and sales taxes on paper, ink, engravings, electrotypes, art work, equipment and supplies.

**Home Market Sought**

"When put on an equal basis with our foreign competitors," he continued, "we can then use the money which is now going in taxation to secure even better editorial material and more of it, in order to continue to occupy the place that periodical publishers have built for themselves, at a financial sacrifice during the depression period, in their own market."

**Liquor Advertising**

Typical of the curious paradoxes in the situation is that many U.S. magazines entering Canada carry page after page of liquor advertising. One popular U.S. magazine in a current issue carries 7¾ pages of liquor advertising in its 70 pages, and in striking four color art work, brings to Canadians the message of foreign distillers and vintners. Included is the advertising of Canadian distillers who are forbidden by law to advertise in periodicals published in Ontario.

**Comments of the Press**

The comment of many daily and weekly newspapers throughout Canada, which have no interest in the cause of the Canadian publisher of magazines and periodicals, reveals a widespread recognition of the situation.

**The Brantford Expositor:** "The removal of this tax places Canadian magazines and periodicals under very difficult competition with American publications, with their monster circulations and their huge advertising revenues. This is unfortunate since the development of a Canadian type of literature is of the greatest value to the Dominion and it is important that there should be in this country outstanding magazines of a national character."

**The Toronto Evening Telegram:** "A great deal of the so-called literature which pours into Canada from the United States in the form of magazines and newspapers is rubbish. Some of it is high class entertainment and informative but a large part of it is devoid of any real merit and some of it harmful rather than beneficial to the reader......Undoubtedly the new regulation will prejudicially affect publishers of Canadian magazines, periodicals, and Canadian job printers."

**The Windsor Daily Star:** In contrast to the majority of newspaper comments regarding the removal of tariff on U.S. magazines, says "We have never believed in the idea of curbing the dissemination of literature. We did not like the duty on American magazines. We are glad Mr. King has removed it. Canadians are now to get magazines at American prices, which is as it should be."

**The Daily Province, Vancouver:** "It will probably go hard with those Canadian publications which extended themselves under the tariff to build up Canadian circulations and with publishing houses which enlarged their equipment to print the 'pulps' which the duty forced to come to Canada."

# Motors Plead Their Case

## Canadian Automobile Manufacturers Present Briefs to Tariff Board—Canadian Automobile Chamber of Commerce and Ford of Canada Make Exhaustive Analyses

A recommendation that the intermediate tariff on motor cars, valued at not more than $1,200, be increased from 17½ per cent to 20 per cent and that the five per cent excise tax on the value of such imported cars be restored, are features of the brief presented this week to the tariff board at Ottawa by the Canadian Automobile Chamber of Commerce.

In all, some ten recommendations are made including a request that the "content" basis of qualification be re-established whereby it would be necessary to attain a minimum of 40 per cent Canadian content on any one line of cars and an average of not less than 50 per cent on the production of each plant.

The chamber also urges lower tariffs on automobile machinery; recommends certain tax exemptions on tires and raw materials; suggests changes in drawback requirements, etc.; and urges that a separate automobile division of the Department of National Revenue be established.

**Stake of Membership**

The chamber is composed of the following members:

Chrysler Corp. of Canada.
General Motors of Canada.
Hudson Motors of Canada.
International Harvester Co. of Canada.
Studebaker Corp. of Canada.

The stake of these companies in Canada is indicated by figures showing invested capital and capital surplus of the membership to have been $35 millions at the end of 1934 and to have reached a peak of $48.4 millions in 1929 Profits for the five member companies in the 10-year period, 1925-34 inclusive are shown at $24 millions all of which was made in the five years 1925-29. A meagre profit of $50,000 on combined operations was shown in 1934 while from 1930-3 (inclusive) a loss of approximately $5.6 millions was reported.

**"Protected" Heritage**

The brief outlines the development of automotive production in Canada, tracing it back to the days (1891) when some 3,000 carriage-making plants operated in Canada with a capital investment of over $4 millions and an annual output of $10 millions. These plants are described as "a protected and prosperous industry" which gradually developed the production of mechanized vehicles as shown by the fact that approximately 70 per cent of motor cars now being manufactured in Canada are made by companies whose predecessors were previously engaged in the production of Canadian carriages.

**Big Employer**

Indicative of the importance of the industry is the fact that its annual salary and wage bill in the past decade ranged from a high of $29.5 millions in 1928 to a low point of $8.6 millions in 1933, and averaged $17.8 millions in the past decade.

In addition, figures collected from 112 firms supplying goods and materials to the automobile and parts industries disclose some 9,000 employees receiving total salaries and wages of $9.6 millions in 1934.

It is also pointed out that the industry has always paid higher than average yearly wages. The figures for 1929 show an average yearly payment per worker of $1,530 compared with an average annual wage for all Canadian industries of $1,045.

**Supports Vast Network**

The extent of the industrial network built around the automobile industry and which contributes to the manufacture of cars is indicated by figures showing total capital of $55 millions utilized in 1934 by firms which sold materials or parts to the automotive industry. In the same year, these groups sold merchandise valued at $35 millions either direct through automobile manufacturers, or to manufacturers of parts, or to service and replacement outlets.

A further indication of the importance of the industry is indicated by the fact that transportation of the finished car alone was responsible for outgoing freight payments in 1934 of $6 millions.

**Say Canada Tariff Reasonable**

That protection in Canada is not excessive when compared with rates charged by other countries is also indicated in the brief. Typical countries listed as placing a high tariff on imported cars include the United Kingdom, France, Germany, Belgium, Italy, Argentine and Australia whose tariff rates range from 33 per cent in the United Kingdom (British preference 22 per cent) to 480 per cent in the case of Italy.

The following table is shown to indicate the duty collected on the importation of "a popular low-priced car" during 1935 and the retail selling price of such a car in the various countries.

**Duties and Retail Prices**

| Country: | Duty on car imported from Canada $ | Retail price in country named $ |
|---|---|---|
| Canada ............ | ..... | 994 |
| U. S. A. .......... | ..... | 720 |
| U. K. (pref. rate) .. | 194.24 | 1,545 |
| S. Africa .......... | 155.20 | 1,625 |
| Br. India .......... | 291.00 | 1,351 |
| Argentine .......... | 291.14 | 1,442 |

It is pointed out that the Canadian duty on a car of equal dutiable value imported from the United States would be $135.80.

**"Spread" Is Reduced**

Figures are shown to indicate the highly competitive nature of the industry and the high degree of efficiency achieved in Canada. Thus, it is shown that a typical car cost the Canadian purchaser in 1926 $1,365 or 37.2 per cent more than the corresponding list price in the United States. By 1935 the price of this same car in Canada had dropped 35 per cent to $890 and the spread between the Canadian and the U. S. price had been cut to 27.6 per cent.

**Trace Tariff Incidence**

A detailed study is made of recent tariff history in Canada showing the way in which the tariff has been built up and indicating particularly the manner in which costs of materials and production have increased.

For example, it is shown that under the arbitrary mark-up basis of valuation in the last two years on such things as screw machine products carrying a nominal duty of 35 per cent, the actual effective rate has been increased to 69 per cent.

This situation is shown to have a very direct bearing on the cost of producing cars in Canada and the opinion is expressed that "in cooperation with the parts industry and the government, advantageous changes could be made in various items of customs duty, excise and sales tax without injury or dislocation to the parts manufacturers."

**"Composite" Car Analyzed**

The actual spread in the Canadian and U. S. selling price of a "composite" car is shown to be 36.2 per cent on 1934 basis. Canadian selling price is given as $992 and the U. S. selling price $728. This is described as "a composite figure covering the most popular low or medium priced models manufactured by members of the chamber, such cars representing at least 90 per cent of their total output."

**Consumer's Dollar**

Another interesting table is one showing the distribution of the consumer's dollar so far as the Canadian "composite car" is concerned. Analysis follows:

**Automobile Consumer's Dollar**

| | How distributed $ | Percentage distribution % |
|---|---|---|
| Imported materials. | 183.44 | 18.5 |
| Canadian materials. | 275.70 | 27.8 |
| Duty & excise ...... | 37.80 | 3.8 |
| Wages & salaries .. | 103.77 | 10.5 |
| Factory burden .... | 50.70 | 5.1 |
| Comm., exp., & adv. | 43.85 | 4.4 |
| Profit ............. | 11.41 | 1.1 |
| Dealer's margin .... | 244.85 | 24.7 |
| Sales tax .......... | 40.58 | 4.1 |
| | 992.10 | 100.0 |

**Higher Turn-in Values Here**

Closely allied to this difference in spread is the difference in turn-in values between Canadian and American cars. Thus figures are produced to show the average trade-in values in Windsor and Detroit represented by 26 different types and makes of cars selling up to not more than $1,000 in Canada. The "spread" in favor of the Canadian used car ranges from $161 on 1930 models to $263 on 1933 models. The average for all models during 1930-33 inclusive is $200 per car.

These figures are then taken to show that since most new car purchases involve a trade-in transaction, the average Canadian purchaser in Windsor (for example) gets his new car at practically the same outlay as the American purchaser in Detroit.

From this point the Chamber argues that a reduction in price "through a lowering of the Canadian tariff would for a considerable time mean that benefits would accrue very largely to new buyers of cars who are not already car owners and would be largely illusory to present car owners."

**Ten Specific Suggestions**

The brief concludes with ten specific suggestions for changes in the existing tariff structure in Canada affecting the automotive parts industry. In addition to those noted at the beginning of this article, the following are also made:

1. That duties on automobile machinery be changed so that where such machinery is not made in Canada in commercial quantities or "readily obtainable at reasonable prices" it can enter at five per cent British; 10 per cent intermediate and 15 per cent general tariff.

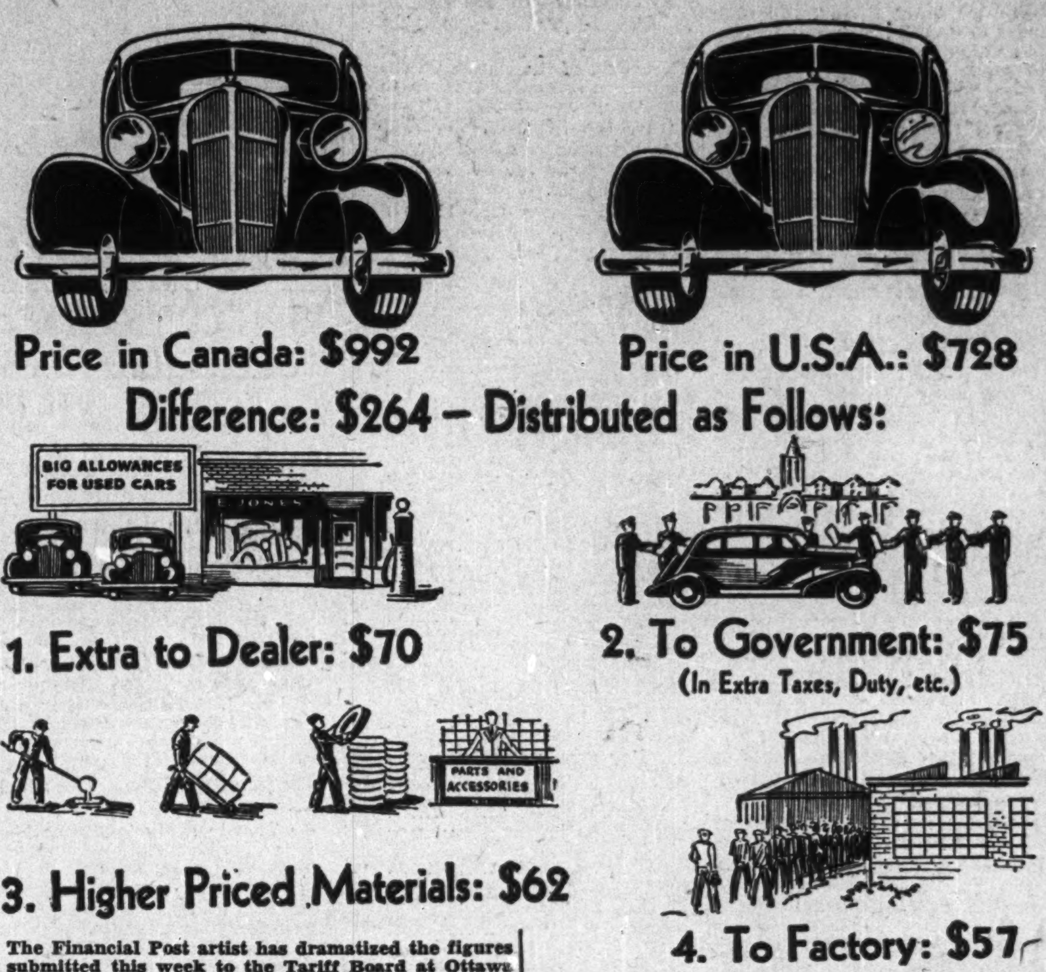
2. That consumable materials and non-permanent equipment be exempt from sales tax.

3. That tires and tubes for original equipment be exempt from the special revenue tax.

4. That the present plan of fixing for duty purposes the value of parts and materials purchased from parent or affiliated companies in the U. S. at "factory cost, plus an arbitrary mark-up to represent assumed profits and commercial and selling expense" be abandoned.

5. That tariff item 438d be extended to include items such as "chassis frames, radiator grilles, brake backing plates" and that the item be made positive by removal of the words "of a kind or class not made in Canada."

Other suggestions have to do with simplification or revision of the drawback provisions and content regulations.



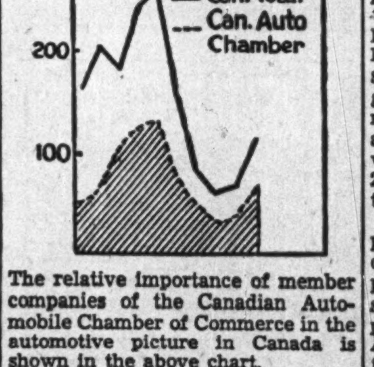

**The Financial Post artist has dramatized the figures submitted this week to the Tariff Board at Ottawa by the Canadian Automobile Chamber of Commerce to show what happens to the extra money paid by Canadian motorists compared with car buyers in the U. S.**

**The figures are for a mythical "composite" car which combines the actual experience of medium and low-priced models which comprise 90 per cent of the total production of member companies. The actual "spread" is about 36 per cent though the member companies argue in their brief that most of this is not actually passed on to U. S. buyers because of relatively lower turn-in values across the border.**

**Somewhat similar figures were submitted by Ford Motor Co. of Canada. This company showed the retail price of a typical four-door sedan in Canada (at Windsor, excluding taxes and freight) was $773 or 28.5 per cent more than the corresponding figure ($605) in the United States.**

**All figures are compiled prior to the price adjustment made recently in anticipation of the U. S.-Canada trade pact, although Ford submitted a supplementary brief to show that the new set-up cuts the spread from $177 to $164 (per car).**

**Chamber's Share**




The relative importance of member companies of the Canadian Automobile Chamber of Commerce in the automotive picture in Canada is shown in the above chart.

The chamber's share of total output has apparently been increasing in recent years.

**Profit and Loss**

This is the composite profit and loss picture of the five firms which comprise the C. A. C. of C.

The figures are especially interesting when compared with the Ford of Canada chart elsewhere on this page.

# Ford's Contribution to Canada $150 Millions in Wages Alone

The economic and factual significance of a concern which has paid to its own employees in Canada $150 millions in wages and salaries, plus a further $343 millions on purchases of goods and services in the 30 years of its existence, is shown in the 55-page brief submitted by Ford Motor Co. of Canada to the Tariff Board at Ottawa.

In addition to this well-illustrated brief now being distributed throughout Canada, the Ford Co. is also submitting a separate presentation containing its recommendations for changes in the existing statutes.

**Urges Higher Content**

Chief features of the briefs are that they urge on the Tariff Board an increase in the present Canadian content requirement for automotive manufacture in Canada and also "a simpler and more effective plan for increasing Canadian content than the domestic drawback system" which is described as "a cumbersome and costly method of achieving an inadequate result."

In short, the company is urging the maintenance in Canada of all sections of the industry that can operate with reasonable efficiency and moderate protection plus the further safeguard that the "performance of a stipulated amount of work in Canada should be required." The company also urges as one object of any revision of the automotive and parts tariff "a simplification of the tariff items and of the admininstrative procedure."

**Cause of Troubles**

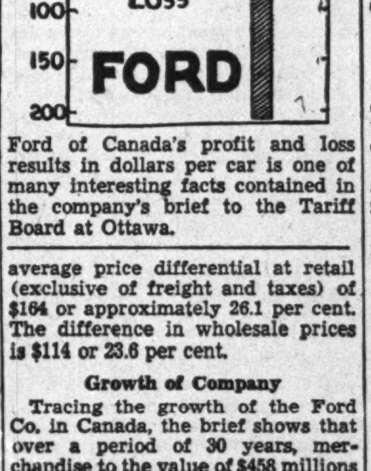
Troubles in the industry are traced back to the way in which Canada's present tariff has been developed. Thus, it is pointed out that the average duty on parts and material, ranging from 27½ to 45 per cent (plus specific rates in certain instances) is considerably higher than the duty rate on the low priced car. Machinery is also subject to various imposts, aggregating 47 per cent. At the same time motor vehicles continue to be dutiable under four different items at widely varying rates ranging from 20 to 40 per cent under the general tariff.

"The duty rate," says the company, "of 20 per cent on low priced cars is inadequate as a measure of protection and is required to be supplemented by other measures to provide the necessary protection. Any drastic reduction in the protection afforded the manufacture of parts without adequate provision for Canadian content would not fail to have a serious effect on employment in Canada. Motor cars would be merely assembled from imported parts with consequent loss of employment in manufacturing operations in Canada and further a serious loss of export markets."

**26 Per Cent Spread**

Car users in Canada, says the brief, pay less than in any other part in the world except the United States. The spread between U. S. and Canadian prices as revised during recent weeks shows an average price differential at retail (exclusive of freight and taxes) of $164 or approximately 26.1 per cent. The difference in wholesale prices is $114 or 23.6 per cent.

**Ford's Profit**




Ford of Canada's profit and loss results in dollars per car is one of many interesting facts contained in the company's brief to the Tariff Board at Ottawa.

**Growth of Company**

Tracing the growth of the Ford Co. in Canada, the brief shows that over a period of 30 years, merchandise to the value of $458 millions was sold in Canada by the company. In the same period, $492 millions was dispersed in Canada, being an excess of $34 millions or 7½ per cent of Canadian sales. In this time, the company has sold in Canada 679,000 units and has exported from its Canadian plant 445,000 units. Plant investment now stands at $25.6 millions with net profits for the 30 year period at approximately $50 millions. In the same time $22.8 millions have been paid in dividends and $27 millions re-invested.

In the nine year period, 1926-34 inclusive, it is shown that Ford produced 31.4 per cent of the total cars sold in Canada; 47.5 per cent of Canadian exports. Out of total Canadian production, Ford in this period has, therefore, been responsible for 36.7 per cent and in the same time has paid 49.4 per cent of total wages and salaries paid in the automobile industry in Canada.

Comparison of Ford of Canada with its big brother in the United States brings out the point that as far as the Canadian company is concerned "the most formidable competition it has to meet is that of the Ford Motor Co. in the United States. It is there that the pace is set in development and improvement in the product, and the basic price fixed in the United States market is the one with which Canadian prices must constantly undergo comparison. We must meet all developments and improvements in the product, while keeping the price differential at a minimum."

**Who Gets "Spread"**

Detailed analysis of the differential in prices between Canadian and U. S. products shows that prior to the change in duty resulting from the U. S.-Canada trade pact, the retail price in Canada exceeded that in the United States by $177 (excluding taxes and delivery costs) or approximately 28.5 per cent. Of this differential, $66.66 goes to the dealer; duties and taxes on material paid to the Dominion government absorbed not less than $40, leaving a balance of $70 available to meet the "higher cost of production and distribution of the company and all its suppliers in Canada."

**New Figures**

A supplementary brief worked out on the basis of new figures effective in recent weeks shows the total spread now to be $164 and the dealer's spread $50.

Incidentally, it is pointed out that a Canadian consumer pays not only $40 in federal taxes for a new Ford car but also an additional $60 or more in sales tax, licence fee and other taxes, making a total of not less than $100 per vehicle.

Current prices of Ford parts in Canada are said to average about 38 per cent more than in United States. These prices are inclusive of 3 per cent sales tax. After deducting this, the average differential is approximately 30 per cent.

**160,000 People Involved**

Noting the manner in which the Ford Company is closely connected with a wide series of related industries in Canada, the brief points out that a rough estimate places the total number of people directly or indirectly employed in the production of automobiles in Canada at about 40,000, representing with their dependents a population of 160,000.

It points out also that Ford received from sales of its products in Canada in the first half of 1935, approximately $16.7 millions and that the comparable wholesale value of these products at U. S. prices would have been approximately $13.7 millions. Of this excess of $3 millions, approximately $1.1 millions was required to meet customs duties and taxes on materials, leaving $1.9 millions to meet higher cost of production, and factory distribution.

**Nation-wide Payments**

Wide distribution of the company's operations throughout Canada are also stressed, it being shown that for each new car sold in the Maritimes in 1934 the company purchased goods in that area worth $85.65. A similar figure for the prairie provinces is $146.88 and for British Columbia (where the company bought large quantities of lumber) $151.54. These sums are all exclusive of expenditures by dealers in connection with retail operations. An interesting tabulation also shows the major communities in Canada where substantial sums are spent for parts, materials, supplies, etc.

Another interesting chapter stresses the value of the export market to Ford of Canada and shows the high proportion of Ford products used in leading Empire markets served by the Canadian plant.

# HOY MAKES PLEA FOR SALARY BASIS IN UNDERWRITING

## Life Agents' Representative Places Views Before Companies

A specific request to the Canadian Life Insurance Officers Association at their recent annual meeting, that life companies "give further consideration to the plan of salary remuneration to new men during first months in the business" was made by F. C. Hoy of Canada Life, agency representative on the life insurance Joint Committee.

Speaking officially on behalf of life insurance underwriters, Mr. Hoy expressed the view that in this way "a better type of man may be secured, a more complete control and supervision of the new agents would be possible and a quicker elimination of unsuitable agents would result."

**Closer Supervision**

Mr. Hoy also indicated that he believed much more could be done regarding supervision and education of new agents than was now the case.

"If it is found that branch managers are unable to give this all the attention it requires, due to the stress of other duties, we respectfully suggest that steps be taken to afford them sufficient relief from certain routine so as to enable them to give as much attention as possible to matters of education and supervision, or in the alternative that they be provided with agency assistants whose main work will be the education of the new men in the organization."

He urged also that with a view to making the selling of life insurance a lifetime vocation only full time agents should be employed in urban centres. "Everything tending to do away with part time agents in urban centres will, we believe, most definitely strengthen and stabilize the agency organization since it will aid the full time agents earning a sufficient income to make the selling of life insurance a worth while life time vocation."

**Plea For Older Men**

Mr. Hoy made a plea also for the "older section" of the agency department—"loyal and serious-minded life underwriters who have been in the business several years or more, who are manfully and conscientiously endeavoring to remain in the business and so make it a lifetime job, but who are finding iit extremely difficult to earn sufficient income to enable them to continue in the business."

He urged that every effort be extended toward maintaining the loyalty and morale of these men and thereby lessening the temptation to engage in border line or in irregular or unethical practices because of pressing financial problems.

**Revise Remuneration Basis**

"We also believe," he said, "that the whole question of remuneration to the old organization should be reviewed with a view to taking as broad a viewpoint as possible in assisting worthy representatives to remain in business—their replacement is both costly and difficult.

"We believe too that companies could profitably give further thought to encouraging and even assisting older men in educational pursuits such as the extension course available to the Institute of Chartered Life Underwriters. Experience has shown that men who avail themselves of these facilities write more and better quality business than those who do not."

He urged that the life companies continue to encourage membership in the Life Underwriters Association as a "further means of stabilization by bringing these new men into the fraternity of the old and more stable life underwriters."

# Life Companies Soon to Hold 1936 Annuals

In a few weeks now, Canadian life insurance companies will be meeting to report to shareholders and to policyholders the results of their stewardship during 1935. First annual meetings are usually those of Imperial and National Life which this year will be held January 15. The next day comes Canada Life with a dozen more following in close succession.

The Post has tabulated a partial list of dates as reported by leading companies. The list is as follows:

| Company: | Date |
|---|---|
| Imperial Life | Jan. 15, 1936 |
| National Life | Jan. 15, 1936 |
| Canada Life Assurance | Jan. 16, 1936 |
| North American Life | Jan. 20, 1936 |
| Confederation Life | Jan. 21, 1936 |
| Manufacturers Life | Jan. 21, 1936 |
| Excelsior Life | Jan. 23, 1936 |
| London Life | Jan. 23, 1936 |
| Crown Life | Jan. 28, 1936 |
| Great-West Life | Feb. 3, 1936 |
| Ontario Equitable Life | Early in Feb. (Feb. 4 in '35) |
| Sovereign Life | 1st week in Feb. |
| Sun Life | Feb. 10, 1936 |
| Dominion Life | Feb. 14, 1936 |
| Mutual Life | Feb. 20, 1936 |

## Canada Life Leaders To Meet in West

Annual convention for leading producers of Canada Life in western Canada and the United States will be held in 1936 at Sonoma, Mission Inn, California. The convention will be for 1936 members of the company's quarter million and century clubs, west of Winnipeg in Canada and west of Minnesota in the United States.

The dates of the convention are April 16-18.

**Life Company Shareholders, 7.**

# Imperial Life

## Few Changes in Shareholder List—But 82 Names

The passing years bring little change in the shareholder list of Imperial Life Assurance Co. Latest available figures show but 82 shareholders, which is but a few more than the corresponding list 10 years ago.

As with other leading life companies in Canada, shareholders play but a minor part in the organization, the great bulk of the company's funds being held in trust for policyholders. Thus, out of total assets of over $71 millions, paid up capital stock is but $1 million, to which must be added small amounts in the company's shareholder funds. Policyholders are, of course, represented on the company's board of directors by five men as follows: Sir John Aird, D. B. Hanna, Hon. Chas. McCrea, Patrick Burns, and Hon. Donat Raymond.

**Directors' Holdings**

Out of 10,000 shares of stock outstanding about 30 per cent is held directly in the names of the company's directors. The major portion of this is the 1,500 shares held by G. A. Morrow, president of the company, and 1,000 shares of stock held by Frank P. Wood, president of Burlington Steel Co.

Other directors' holdings shown by the latest official list, (Dec. 31, 1933) follow: J. P. Bickell 50 shares; Mark Irish 100 shares; J. W. Mitchell 45 shares; S. J. Moore 65 shares; H. H. Williams 50 shares; J. F. Weston 315 shares; W. G. Morrow 50 shares. The name of J. S. Norris, appointed to the board last year, does not appear on the list, but it is presumed that Mr. Norris holds at least sufficient shares to qualify him as a director.

In addition to the 3,100 shares held directly by shareholder-directors, the most important single holding is that of Peterborough Securities and Realty Co., Peterborough, credited with 1,675 shares. This holding, it is understood, belongs to one of the company's directors, thus bringing total shares controlled by the directorate over the 4,800 mark, or almost 50 per cent of total shares outstan[illegible]ing.

The [illegible] of the company's shares are hel[illegible] and about Toronto, there being only one shareholder in the United States; namely, E. J. L'Esperance, the company's manager at Los Angeles. There are five shareholders in England.

Detailed figures (the latest date for which official figures are available is Dec. 31, 1933) follow:

| Name and Address | No. of Shares |
|---|---|
| Aird, Lady Eleanor L., Toronto | 25 |
| Allison, Mrs. Tannis, Calgary | 35 |
| Arden, Mrs. M. J., London, Eng. | 1 |
| Armour, A. D. (est.), Toronto | 5 |
| Armour, Dr. R. G., Toronto | 5 |
| Baines (C. C. est.), Toronto | 2 |
| Bethune, Mrs. E. A., Ottawa | 37 |
| Bickell, J. P., Toronto | 50 |
| Bradshaw, Thos., Toronto | 32 |
| Canada Securities & Land Corp. Ltd., Toronto | 50 |
| Colville, Mrs. Hazel B., Montreal | 15 |
| Coombs, F. J., Toronto | 5 |
| Davies, W. H., Didsbury, Alta. | 5 |
| Davison, Dr. J. L. (Est. of), Toronto | 75 |
| Dunkirk Corp. Ltd., Montreal | 99 |
| Eastern Trust Co., Halifax | 6 |
| Eastern Trust Co., Halifax | 34 |
| Eastern Trust Co., Halifax | 10 |
| Eccles, Mrs. J. D., London | 80 |
| Fleck, Andrew W. (estate), Ottawa. | 30 |
| Fox, Miss Emma, Toronto | 6 |
| Fox, W. Sherwood, London | 7 |
| Gallow, J. O., Toronto | 12 |
| Gee & Co., Toronto | 100 |
| Gordon, D., asst. mgr. (trust), Toronto | 100 |
| Harsop Securities Ltd., Montreal | 39 |
| Harty, Hon. Wm. (estate), Montreal | 50 |
| Hastie, Wm. J., Toronto | 10 |
| Heaton, Mrs. Constance Irene, Oxford, Eng. | 12 |
| Henderson, Stanley, Vancouver | 30 |
| Hunt, Geo. H., Toronto | 75 |
| Hunt, Harry K., Hamilton | 5 |
| Irish, Mark H., Toronto | 100 |
| Jeffries, H. L., Toronto | 5 |
| Kerr, N. W., Brandon, Man. | 10 |
| Kilgour, Miss Bessie G., Beauharnois, Que. | 19 |
| L'Esperance, E. J., Los Angeles | 120 |
| Lockhart, Miss Mary, Newcastle, Ont. | 5 |
| Mainer, Mrs. E. H., Toronto | 2 |
| Malone, E. T., Toronto | 130 |
| Malone, G. M., Toronto | 10 |
| Matheson, D., Toronto | 50 |
| Mattawa Investments Ltd., Montreal | 384 |
| Matthews & Co., Toronto | 7 |
| Mickle, A. E., Toronto | 4 |
| Mitchell, J. W., Toronto | 45 |
| Moore, S. J., Toronto | 65 |
| Morphet, H. W., Peterboro | 100 |
| Morrow, G. A., Toronto | 1,500 |
| Morrow, Graham, Toronto | 200 |
| Morrow, W. G., Peterboro | 50 |
| Mowat, Miss Edith, Toronto | 9 |
| Moyle, G. D., Toronto | 6 |
| Muntz, G. H., Toronto | 10 |
| MacLennan, A. L. (in trust), Toronto | 100 |
| McLeod, Young, Toronto | 2 |
| MacRae, Rev. Donald N., Morrisburg | 5 |
| National Trust Co. Ltd., Toronto | 8 |
| National Trust Co. Ltd., Toronto | 25 |
| National Trust Co. Ltd., Toronto | 25 |
| National Trust Co. Ltd., Montreal | 700 |
| Parker, J. G., Toronto | 101 |
| Perry, Mrs. Alice I., York Mills | 150 |
| Peterboro Securities & Realty Co. Ltd., Peterboro | 1,675 |
| Porter, John S., Toronto | 5 |
| Proctor, Mrs. Florence E., Toronto | 150 |
| Reburn, Mrs. Evalyn S., Toronto | 27 |
| Roesler, Harry T., Toronto | 50 |
| Ryrie, Jas. (estate), Toronto | 50 |
| Seymour, W. H., Hamilton | 25 |
| Smith, G. B. (estate), Toronto | 50 |
| Soper, E. N. (estate), Ottawa | 37 |
| Soper, Walter, Ottawa | 37 |
| Toole, Mrs. Alice, Calgary | 5 |
| Toole, Wm., Calgary | 30 |
| Waugh, J. F. & H. F. (in trust), Toronto | 5 |
| Weston, Mrs. Bessie P. D., Toronto | 200 |
| Weston, Jas. F., Toronto | 315 |
| Wheeler-Bennett, Mrs. C. H., Kent, Eng. | 38 |
| Wheeler-Bennett, C. W., Sussex, Eng. | 13 |
| Wheeler-Bennett, J. W., Kent, Eng. | 12 |
| Wood, Frank P., Toronto | 1,000 |

**Vice-Chairman**

GEORGE H. HUNT
Superintendent of agents, The Imperial Life Assurance Co., who has been elected vice-chairman of the board of the Life Insurance Sales Research Bureau of Hartford.

# Insurance Problems

Insurance questions of general interest submitted by subscribers of **The Financial Post** will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

## Investing $10,000 Policy Proceeds

I have been asked by a friend to suggest an investment of $10,000, the proceeds of an insurance policy, to yield a reasonable income, and having in mind a good measure of safety. In view of the present unsettled conditions I should like to get your advice on what I have submitted and for your guidance may say that the party in question is a widow, age in the forties, has two children ages eight and six, and is in receipt of a pension of $415 per annum. She has no other assets.

| (a) Investment suggested: | | Income |
|---|---|---|
| $5,000 C.N.R. 4½/57 at $106 | $5,300 | $225 |
| $2,500 Western Power 5/49 at $105 | 2,625 | 125 |
| $2,000 B. C. Electric 6% pfd. at $105 | 2,100 | 120 |
| Pension | | 415 |
| Total income | | $885 |
| (b) As an alternative a Dominion Government annuity was suggested as follows: | | |
| $10,000 at $58.60—15 year guarantee $ | | 589 |
| Pension | | 415 |
| Total income | | $1,004 |

While the annuity yields a larger income and at the same time gives security to the family for 15 years from purchase in the event of her death on the other hand she would have no liquid assets to dispose of in the case of illness or other eventualities, but as regards her securities she would require to sell approximately $100 annually to augment her income, an income of $1,000 being necessary. Any advice, criticisms or suggestions you would care to give will be appreciated.

The question you raise regarding the manner in which a widow should invest the proceeds of a life insurance policy presents very real problems.

In view of the circumstances your client would seem well advised to make absolutely sure of income by the purchase of a government annuity as suggested in the second alternative.

As you know the rates being offered by the Federal Government at the present time are extraordinarily liberal and are approximately 25 per cent more generous than those offered by ordinary line companies. They are based on a four per cent figure without any deduction for expenses, and are compiled from obsolete mortality tables which greatly favor the annuitant. All of this is paid directly by the Government at the expense of taxpayers.

The alternative investment in bonds and preferred stock contains some element of risk through loss of capital in the future and there would be present also the temptation to encroach on income to a greater extent than $100 annually in order to make up the amount of income needed.

One suggestion would be to compromise by putting say 90 or 95 per cent into a government annuity and the remainder into government or other high grade bonds.

This would give a nest egg to meet extreme emergencies and might make your client more comfortable.

# Clients Get $1.81 For Each Dollar Paid Life Firm

North American Life Assurance Co. reports 32 claims paid in October (exclusive of group and re-assurance) for a total amount of $94,214.

Analysis shows the company had collected on these policies as premiums a total of $95,205. It had paid out in dividends $5,719 which, added to the amount paid to beneficiaries, is a total disbursement of $99,933 or an amount in excess of the company's receipts of $4,728. This represents a return of $1.81 for every $1 paid in.

The average period in force of these policies at time of death was 15 years, 7 months. The average age at death 51 years. Eight of the claims were due to heart trouble of various kinds, 6 to tuberculosis and other lung afflictions, 5 to blood poisoning, 2 to cancer; 2 to suicide and the remaining 9 to miscellaneous causes.

# *Canada Life Cuts Interest, Leaves Dividends Unchanged*

Canada Life Assurance Co. has decided to continue unchanged the present regular dividend rates for the first six months of 1936, The Financial Post is informed by W. A. P. Wood, assistant general manager of the company.

Also the present scale of special dividends, on annual dividend life insurance policies issued prior to May, 1934, is retained.

An important change contemplated during the first six months of the year is the decision to drop the rate of interest payable on dividends and proceeds left on deposit with the company, to 3½ per cent per annum, where any excess interest payments become payable during the first six months of 1935. The corresponding rate since the middle of 1935 has been 3¾ per cent.

For annual dividend policies issued after May 1, 1934, and at lower premium rates than those issued previously, dividends are payable duriing the first six months of 1936, that is, at the end of the second year have been prepared. The company is not projecting the scale beyond the second year.

Five-year dividends for the first six months of 1936 will be equal to the corresponding annual dividends accumulated with interest and further increased by a share of the dividends forfeited by policies that were terminated other than by death before the end of the five-year period.

**Sherbrooke Manager**

E. E. CODERE
Who has been transferred to the Sherbrooke office of the Sun Life Assurance Company of Canada from North Bay.

# JOINT COMMITTEE URGES CHANGES AGENCY RULES

## Life Officers Ass'n Hears Three Recommendations from J. G. Parker

Three important recommendations toward improvement of agency underwriting practices were made to the Canadian Life Insurance Officers Association at its annual meeting recently. The recommendations were contained in a special report by J. C. Parker, chairman of the speciial Joint Committee, which has been working toward a solution of these matters for some years.

The recommendations were as follows:

(1) That in every instance where a license is being applied for on a probationary basis on behalf of a part time agent in an urban centre, a covering letter from the nominating company be submitted with the application form to the insurance department which is being requested to issue the license.

(2) That where a renewal of license is being applied for on behalf of an agent who did not write the required quota of business during the preceding year, in the event the quota requirements applied to such agent, the nominating company should accompany the application for renewal with a covering letter setting forth the reasons why they believe a renewal of license should be granted the applicant.

(3) That the quota requirements be applied to all new agents during their first and second years, with the exception of part time agents.

As now worded, this agreement only applies to new full time agents. The committee are of the opinion that the quota requirements of twenty and thirty thousand of life insurance production during the first and second years respectively should also apply to new agents who have other than life licenses and who are accordingly classified as general agents and not as full time agents. This regulation, of course, would apply only in so far as the contracts of such agents to write life insurance were concerned.

## Confederation Business $3,400,000 in November

New business reported by Confederation Life in November totalled $3,412,000 of which $3,188,000 was ordinary and the remainder group insurance.

Total business in force at the end of November is shown as $375.4 millions of which $27.7 millions is group insurance.

During the first 11 months of the year, the company has paid to beneficiaries and living policyholders a total of $9.9 millions of which $7.4 millions was paid to living policyholders and the rest to beneficiaries.

## Film of Dionne Quints Insured For $2 Millions

Reports from Hollywood state that films of the Dionne quintuplets, recently made at Callander, have been insured for $2 millions. The negatives are insured against earthquake, fire, theft, hurricane, scratches and all other insurable hazards. When the film was shipped daily to the United States, there was said to be a standing policy of $25,000 on each day's consignment.

## Record Business Volume For Great-West Life

Final results of the special two-months drive conducted recently by Great-West Life show total applied business of $12.4 millions and placed business of $10 millions. The objectives in each case were $12 millions and $10 millions.

Membership in the company's production clubs showed considerable gains in November, with 78 members qualified for the $100,000 Club and 20 more proportionately qualified. The total is 17 per cent ahead of this time last year.

# HAIL LOSS RATIO FALLS WELL UNDER LAST YEAR'S MARK

## Improvement Marked in Saskatchewan—Volume More Than Doubled

More than double last year's volume of business and a greatly improved loss ratio are features of the annual report of the Canadian Hail Underwriters' Association for 1935.

Member companies writing hail insurance in Western Canada report premiums written totalling $789,109 compared with $392,938 last year. Losses during the year were $454,088, up from $309,796 in 1934, but the larger volume of business more than offset this increase, loss ratio falling from 78.8 per cent to 57.5 per cent.

**Saskatchewan Leads**

Improvement was due entirely to the better showing in Saskatchewan, where the greater part of the business is written. Losses in this province were slightly higher, but the volume of business was two and a half times as great. As a result the loss ratio declined from 103.1 per cent a year ago to 48.27. Although premiums almost doubled in the other two provinces, Manitoba and Saskatchewan, loss experience was not as favorable and the loss ratio rose from 31.3 per cent to 56.7 per cent in Manitoba and from 58.0 per cent to 88.0 per cent in Alberta.

Actual figures by provinces were:

**Hail Premiums and Losses in 1935**

| | Premiums $ | Losses $ | Loss Ratio % |
|---|---|---|---|
| Manitoba | 101,080 | 57,280 | 56.66 |
| Saskatchewan | 525,203 | 253,517 | 48.27 |
| Alberta | 162,826 | 143,291 | 88.00 |
| Total | 789,109 | 454,088 | 57.54 |

The Phoenix of Hartford group continues as the leading underwriting group in this type of insurance and reported a much more favorable experience than last year when its loss ratio was well over 100 per cent.

Premiums written by this group were $193,793, more than double last year's figure of $85,597, while losses rose from $99,330 to $113,966. Premiums written by the Hartford and Aetna groups also exceeded $100,000.

Premiums and losses by company groups were as follows:

**Hail Insurance in 1935**

| | Premiums $ | Losses $ |
|---|---|---|
| **Aetna:** | | |
| Aetna | 17,476 | 7,645 |
| Ins. of North Am. | 21,958 | 10,141 |
| Springfield | 14,485 | 6,126 |
| Sentinel | 5,717 | 2,707 |
| World Fire | 8,636 | 11,795 |
| Michigan | 17,245 | 10,254 |
| Alliance of Phil. | 15,121 | 9,691 |
| | 100,588 | 58,359 |
| **Continental:** | | |
| Continental | 27,253 | 16,847 |
| Fidelity-Phenix | 15,180 | 6,533 |
| First American | 19,732 | 8,258 |
| Maryland | 11,096 | 7,795 |
| Niagara | 24,574 | 9,568 |
| | 97,835 | 49,001 |
| **Great American:** | | |
| Great American | 32,295 | 36,519 |
| County Fire | 6,863 | 5,903 |
| Rochester U. Agency | 4,828 | 2,345 |
| | 43,986 | 44,767 |
| **Hartford:** | | |
| Hartford Fire | 56,788 | 24,469 |
| Citizens | 31,643 | 26,638 |
| New York Underwriters | 20,321 | 6,721 |
| London Canada | 11,611 | 9,451 |
| | 120,363 | 67,279 |
| **Phoenix of Hartford:** | | |
| Phoenix | 20,163 | 13,492 |
| Connecticut | 91,514 | 52,269 |
| Equitable Fire | 25,139 | 14,292 |
| Reliance | 17,375 | 6,912 |
| Westchester Fire | 39,602 | 27,001 |
| | 193,793 | 113,966 |
| **Royal Exchange:** | | |
| Royal Exchange | 10,213 | 2,992 |
| State | 11,684 | 8,067 |
| Car & General | 6,423 | 5,617 |
| | 28,320 | 16,676 |
| **Individual Co's.:** | | |
| St. Paul F. & M. | 46,645 | 12,684 |
| Alliance of London | 20,321 | 6,721 |
| Amer. Alliance | 14,850 | 8,257 |
| Bee Hail | 6,792 | 6,741 |
| Canada Security | 22,107 | 10,581 |
| Fidelity Underwriters | 6,866 | 4,377 |
| Gen. Cas. of Paris | 69,966 | 41,696 |
| London & Scottish | 11,476 | 7,264 |
| Western U. Agency | 4,872 | 5,313 |
| Western U. Assoc'n. | 1,309 | 406 |

## Insurance Inklings

W. E. WINTERS has been elected president of the Life Underwriters Association of Ottawa.

H. A. BRUCE has been appointed manager of the Ottawa and district branch of the Imperial Life Assurance Co. Since 1925 he has been the company's manager at Stratford. He will assume his new duties on March 1.

E. SMITH, for the past three years city superintendent of the Metropolitan Liife at Stratford, has been moved to Guelph to take up a similar position.

C. D. DEVLIN, general superintendent of agencies, Confederation Life Association has been appointed a member of the executive committee of the board of the Life Insurance Sales Research Hartford, Conn.

CHAS. F. PEAVOY has assumed management of the Metropolitan Life branch at Edmonton. He was formerly at Brandon having come there from Fort William in September 1926.

# *All-Canada Federation May Widen Membership*

It is expected that the All-Canada Fire Insurance Federation will shortly expand to admit casualty companies, including automobile insurers, into its membership. Hitherto fire companies only have been eligible.

Two chief benefits are hoped for through the expansion. It is believed that costs would be spread over a larger number of companies and so fall less heavily on any one. And the additional members which may join the Federation would give it greater prestige. Some overlapping of legislative activities would probably be avoided.

**Legislative Body**

The Federation is, of course, purely a legislative body, the activities of which, while primarily designed to assist fire companies, have also been of aid to casualty underwriters. As an instance the recent action between the town of Rimouski and the Fire Insurance Co. of Canada, while fought by the fire company backed by the All-Canada Federation, was of substantial import to those engaged in other lines as well.

At first glance it would thus appear that casualty companies were getting a benefit for which they made no outlay. However, it is pointed out that most of the companies are multiple line. So, to the extent that fire companies write casualty business as well, the cost has been equitably shared.

Legislative work for the casualty companies has hitherto been done through the tariff bodies, the Canadian Casualty Underwriters' Association and the Canadian Automobile Underwriters' Association, now merged along with the fire association into the Canadian Underwriters' Association. The volume of this work is not considered to have been very heavy, but some believe that there was duplication of work carried on by the All Canada Federation. Consequently, they believe that if most of the legislative work was handled through the one organization a saving could be effected.

Although the question of admittance of the casualty companies has been under consideration for some time, approximately two years, no definite step in this direction has yet been taken. It is understood that the matter has now reached the point where a decision will be made one way or the other. A meeting of the executive was held in Montreal recently at which the question was discussed. One member of the Federation claims that between 80 and 90 per cent of the membership is in favor of admittance of the casualty companies. The annual meeting, which will be held some time in January, may provide a definite answer to the question.

## Confederation Life Pays Same Dividend

Confederation Life Association will continue its present scale of dividend payments unchanged during 1936, The Financial Post is informed.

A change will be made, however, in the rate of interest payable on money and dividends left on deposit. This rate has not yet been fixed but will be announced within the next week, The Post is informed.

# MANY CANADIANS ATTEND MEETING LIFE PRESIDENTS

The following Canadians were present at the annual meeting of the Association of Life Insurance Presidents at New York recently:

JOHN APPLETON, Canadian Life Assurance Officers Assn., Toronto.
A. H. BEATON, Nat. Life Ins. Co., Toronto.
F. C. CAPON, Prudential of London, Eng., Montreal.
J. E. CHANDLER, Sun Life Assce. Co., Montreal.
CHARLES D. DEVLIN, Confed. Life Assn., Toronto.
E. L. EARL, Sun Life Assce. Co. of Canada, Montreal.
H. W. K. HALE, Sun Life Assce. Co. of Canada, Montreal.
WM. HASTIE, Can. Life Assce. Co., Toronto.
JOHN K. LEONARD, Industrial Life Ins. Co., Quebec.
LEIGHTON McCARTHY, Can. Life Assce. Co., Toronto.
HARTLEY D. McNAIRN, Supt. of Insurance, Toronto.
C. S. MACDONALD, Confed. Life Assn., Toronto.
E. A. MACNUTT, Sun Life Assce. Co., Montreal.
J. F. MAINE, London Life Ins. Co., London, Ont.
H. W. MANNING, Great-West Life Assce. Co., Winnipeg.
A. N. MITCHELL, Canada Life Assce. Co., Toronto.
J. G. PARKER, Imp. Life Assce. Co., Toronto.
E. E. REID, London Life Ins. Co., London, Ont.
JAMES W. SIMPSON, Sun Life Assce. Co. of Canada, Montreal.
A. B. WOOD, Sun Life of Canada, Montreal.
W. A. P. WOOD, Canada Life Assce. Co. of Canada, Toronto.
V. R. SMITH, Confed. Life, Toronto.
CHAS. P. FELL, Empire Life, Toronto.
R. LEIGHTON FOSTER, Can. Life Officers Assn., Toronto.
W. H. MOORE, M.P., Pickering, Ont.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F. G. Beckett, Saskatoon — D. McCloy, Toronto
H. M. Gibb, Toronto

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## Beatty Bros.

I hold some Class A common shares of Beatty Ltd. How is this company doing? What are the prospects of dividends being resumed on this stock?

No dividends have been earned or paid on Beatty Bros. A stock since 1932. The dividend was not earned in 1932 either, but 50 cents a share was paid. Dividends have been continued on the first and second preferred stock during the depression, but there was a deficit of $131,002 after paying them in 1932, $271,688 in 1933 and $77,216 in 1934.

An increase of more than 40 per cent in sales was reported for the first half of the year ended August 31, 1935. Collections were improved as well. Bank loans are understood to have increased because of the rising volume of business. The company reported expanding export trade with Great Britain and New Zealand as well as better business in Canada. The report for the full year is expected to show some improvement, but the company faces increased competition as a result of the new tariff schedules.

## Hiram Walker

I am considering the purchase of some preferred stock of Hiram Walker-G. & W. What do you think of this stock? If Walker's lose their suit to obtain the insurance on the warehouse destroyed by fire, would you expect this to cause a drop in the price of Walker's preferred? What would be the probable effect of a European war on the price of this stock?

The situation of Walker's preferred would not be vitally affected even if the company failed to obtain insurance on its warehouse. It would be a blow, of course, but the company is strong enough to stand it. It would not affect immediate sales or operating policy. The main ill effect would be that the company would not have the advantage of the insurance money to replace the warehouse, and to spend for raw materials to replace the inventory.

Judging by the experience in the Great War, the effect of a European war on distillery stocks might not be good.

The preferred dividend is covered by a wide profit margin. The shares are a more stable form of investment than the somewhat volatile common stock.

## Union Gas Co.

What do you think of Union Gas common stock as an investment? I hold some of this stock and am wondering whether it would be advisable to sell it at even a small loss. Has the company been successful in selling its bond issue?

Union Gas Co. has disposed of its $4.5 millions of bonds. When it pays off bank loans, and especially if its sales of natural gas, coke and other products have been profitable during the winter, the position of the company's common shares should be improved. The company needs improvement in its working capital position, but has experienced management and its operating position seems to have been progressively improved in recent years.

When the stock market has been going up for a considerable time, there is always a chance of sharp setbacks. Opinion differs sharply at present as to whether after a setback there will be a considerable advance again. On the whole, informed opinion seems to be that in well-selected stocks higher levels will be attained some time in 1936.

## Page-Hersey Tubes

I have $1,000 to invest. What do you think of Page-Hersey Tubes common for a short hold?

Page-Hersey Tubes is paying $3 a share on 174,276 no par value common shares. It earned $3.55 a share in 1934 and is expected to earn a little more in 1935. The company has an excellent record and in 1930 and 1931 paid $5 a share. It has a strong working capital position and it is reasonable to believe that the company stands to gain materially when constructional activities become brisk. It cannot be told, however, just when this may occur.

## Brewing Corp.

According to your report of the financial statement of Brewing Corp. the company showed a loss of $134,914 before income taxes in the 1933-34 fiscal period as compared with a net profit of $222,445 in the year ended Oct. 31 last. If they paid preference dividends in the former year by showing a deficit, may I logically believe that the same dividends are assured henceforth, and particularly in the immediate future? Do you consider the preferred shares a good investment?

Brewing Corp. of Canada net profits for the year ended Oct. 31, 1935, were $1.37 per preferred share, insufficient to meet in full the dividend of $1.50 a share now being paid. The present rate is half the full $3 a share to which this stock is entitled. The winter months hitherto have been months when a net loss has been shown, the company depending upon the summer months to make its principal profits. However, the directors state that it is their desire to pay the dividend if it is possible to do so and they hope it will be. They hope that the loss this winter will be less than last. The company has to make arrangements for paying off or refunding the indebtedness that falls due next year. Officers state that they anticipate no difficulty.

The company has failed to net anything like the profits which were expected a year and a half ago. Nevertheless, there has been improvement in its situation to date.

## St. Lawrence Paper

I hold a few shares of preferred stock of St. Lawrence Paper Mills, and would like to have your views on the outlook for the newsprint iindustry, and in particular the preferred stock of this company.

The newsprint situation has taken a marked turn for the better in the last year. Production has increased to a point where the output for 1935 will likely establish a new record. While a number of the companies are operating at capacity, a few, like St. Lawrence Paper, are still below that rate. However, the situation in regard to tonnage looks considerably better than it has been for some time and this is a point that should not cause any particular worry. The real trouble with the newsprint industry today is the lack of an adequate selling price. While deliveries in 1936 will be made at $1 a ton higher than today, the increase will not make a major difference in the earning power of the operators. It is the expectation that no appreciable improvement in earnings will take place until after 1936. Consequently if you are in a position to hold this stock over a period of two or three years, there is reason to expect improvement.

## Brandram-Henderson

Can you give me a report on the outlook for the consolidated mortgage bonds of Brandram-Henderson Ltd.? I cannot decide whether I should sell these bonds, or continue holding in the hope that the position of the company will improve.

The near problem of Brandram-Henderson Ltd. is the redemption of the first mortgage bonds of $142,700 when they fall due on Oct. 1, 1936. In addition the company had bank loans at the end of last year totalling $316,500, which rank ahead of the consolidated mortgage bonds and will have to be funded or redeemed before long. It is hard to say just what arrangements the company can make to take care of these obligations in view of the rather unsatisfactory earnings of the past three years. The report for 1934-35, however, showed a material improvement in income and if this improvement continues it will be much easier for the company to carry out refunding operations.

From the balance sheet there would appear to be plenty of equity back of the consolidated mortgage bonds (the book value is $1,774 for each $1,000 par value bonds) and it might be worth while to defer decision until after the financial statement for 1935 has made its appearance. At that time you will have a better idea of the financial position of the company and it is likely the management will have something to say in the statement as regards plans for the refunding of the maturing obligations.

## Gatineau Power

Among my holdings are a few Gatineau Power six per cent debentures. In view of the Ontario Hydro situation, can you tell me whether or not the interest payments on the debentures are assured?

The Ontario Hydro-Quebec power companies' situation continues to be very involved. The Ontario government has repudiated Hydro's power contracts, but is still taking about 200,000 h.p. from Gatineau Power Co., though it has refused delivery from the other three companies involved. How long Ontario Hydro will continue taking this power from Gatineau, is not known. If the present deliveries are put on a more or less permanent basis, then Gatineau Power Co. will be able to take care of the interest on its first mortgage bonds and debentures. If the Ontario Hydro business were lost in its entirety, Gatineau Power would only be able to take care of interest on its first mortgage bonds.

## Dosco

I have been asked to purchase some of the income debentures of Dominion Steel and Coal Corp. These, as you probably know, are selling at a substantial discount and before purchasing I would like to know if there are any particularly adverse features in connection with the company or its operations.

The position of Dominion Steel and Coal Corp. has undergone considerable improvement in the last two years, especially since the readjustment of the capital structure a short time ago, which relieved the company of fixed obligations. Earning power of Dosco has increased, but it should be remembered that a substantial part of this revenue has come from works sponsored by the Dominion government as a measure of unemployment relief in the Cape Breton area.

The capitalization has been dewatered to a very considerable extent and is now more in line with earning power. With a pick-up in business conditions, more especially in the iron and steel trades, Dosco may be able to place the income bonds on a paying basis.

# Rackets

## A One-man Bucket Shop

STOCK market rackets are becoming less numerous as the result of efforts by government and stock exchange officials to suppress them in the last two or three years.

But a racket that was nothing more than an adaptation of "bucketing" recently came to light, and left a dozen or more people wiser and poorer. It caused acute embarrassment to a highly reputable brokerage house, and resulted even more seriously for its perpetrator.

The method of operating the one-man bucket shop was somewhat complicated. It was the work of a customer's man, unscrupulous in the extreme, but who had managed to form a connection with a brokerage firm of unquestioned standiing.

• • •

CLAIMING he could save his clients substantial sums in commissions if they would make their cheques payable to him instead of the firm he represented, the embryo racketeer amassed a considerable amount of money in a private account.

With these sums, he traded in the market for his own account, and for a time with some degree of success.

Meanwhile, his clients believed he was carrying out their instructions, since they regularly received a statement of the firm showing in detail their transactions and the profits or losses involved.

The truth was that the stationery of the firm had been removed from the office, and faked statements, compiled by the customer's man, sent to the clients. Their profits were "paper profits" in a very literal sense.

Naturally more than one client asked for a cheque from time to time, from the "profits" he had made. The racketeer paid with his own cheque—adding that he had put through the transaction in his own name, as prearranged, and to save a part of the commission charges.

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ALL went well. More money "for margin" on "losses," and for new "purchases" swelled the racketeer's private bank balance. Then he ran into a series of bad market guesses and the bank account dwindled.

Still he was able to pay out $25 or $50 to a client who wanted a little ready cash from his account, and had the market moved as the racketeer hoped, the scheme might have continued indefinitely.

It was discovered by accident, however. One client's suspicions were aroused when an amount of perhaps $100 or so requested from the customer's man, "out of profits," was not forthcoming. He checked with the firm directly and asked to see a detailed statement of his account as shown in the firm's ledgers.

• • •

HE WAS told he had no account, and on producing his last faked "statement" to refute the clerk's insistence that his name was not on the books, the customer's suspicions became certainties.

The manager of the firm was consulted, and the whole story revealed when the customer's man-racketeer admitted his "one-man bucket shop" had failed.

# RAIL TERMINALS PLACED ON BLOCK BY COURT ORDER

## Legitimate Effort to Be Made to Sell Warehouse

Judicial sale of the Canadian Rail and Harbor Terminals warehouse on the Toronto waterfront is to be made to satisfy a foreclosure judgment of the Supreme Court of Ontario in favor of the first mortgage bondholders. A legitimate effort is to be made to find a purchaser, no reorganization proposal being in prospect.

Tenders for purchase of the property will be received by F. H. Barlow, Master of the Supreme Court of Ontario, up to noon on Jan. 24, 1936. All tenders must be accompanied by a marked cheque for $100,000 which, if the tender is accepted, will act as part payment for the property.

Subject to a reserve bid fixed by the court, the highest tender will be accepted. While no official statement has been made it is expected that the reserve bid will be sufficient to cover the first mortgage bonds. If sale of the company is not made, G. T. Clarkson will continue to operate the property as receiver and manager.

**Cash Not Included**

Included in the sale will be all the assets of the company with the exception of cash in the hands of and under the control of G. T. Clarkson, receiver and manager. In addition to cash in the hands of the receiver, there is some $200,000 deposited with the trustee of the first mortgage bonds. Decision has yet to be made as to what portion of this deposit is to be applied to the first, second and third mortgages.

The company has been in receivership since January, 1934, when the Toronto General Trusts Corp., trustee for the first mortgage bonds, was notified that interest due on March 1, 1934, would not be paid. Default in the payment of interest on the seven per cent general mortgage bonds and the seven per cent debentures occurred June 1, and Sept. 1, 1931, respectively.

**Earnings Lower**

Operations are currently showing slightly lower profits than in 1934 when earnings amounted to $158,337, after taxes, but before depreciation and other charges. Deductions must be made for receiver's fees, legal costs of receivership, etc. These charges absorb a large part of the operating profit.

## Stand. Chemical Reports $18,492 Increase in Sales

Standard Chemical Company reports sales of $542,642 in the six months ended September 30, 1935, an increase of $18,492 over the corresponding period of 1934. Loss for the half year, before depreciation, was $12,215, compared with $35,585 in the same 1934 period.

In the year ended March 31, 1935, a net profit of $1,960 was recorded after deducting depreciation and income tax. Net earnings before depreciation were $19,806. This was realized on a total sale volume of $1,302,193. Hence, the greater portion of the company's sales and earnings were realized between September 30 and March 31.

## Toronto Stock Values Up $736 Millions Over '34

At Dec. 1 1935, total market values of the 427 listings on the Toronto Stock Exchange amounted to $4,366,353,449, an increase of $278.5 millions from the beginning of November and a gain of more than $736 millions as compared with Dec. 1, 1934.

A tabulation of all stocks is included in the current monthly bulletin of the exchange, which allocates each stock to its individual section. The report also gives the number of issues in each group, average price and the total number of shares listed.

## Manitoba Power Co. Not to Pay Jan. 1 Interest

**From Our Own Correspondent**

MONTREAL.—Holders of the 5½ per cent first mortgage bonds, both series A and B, of Manitoba Power Co., have been informed that interest payments due on January 1 will not be met.

This is in line with the reorganization plan recently approved, under which the holders of the first mortgage bonds will exchange them for securities in Winnipeg Electric. Interest on the new bonds will be payable on and after January 2, 1935.

# The Woman Investor

## Souvenirs of 1929

In safety deposit boxes, trunks, and elsewhere are thousands of share certificates once regarded as the key to a fortune, and now almost forgotten among the memories of the 1929 crash.

Many are mining companies' shares, or industrial stocks purchased during the heyday of the stock market boom, and for which there was subsequently no market. Others include stocks that have come into the possession of women investors through death, and estate divisions, but among them are shares of companies that have reorganized, issued new stock, or whose affairs may have improved sufficiently to warrant resumption of dividends.

The majority are still valueless, yet brokers are finding almost daily that these certificates are coming to light, and in some instances with pleasant results for their owners.

**Shares Exchangeable**

Among mining stocks it is not unusual to find that a security bought in 1929 or earlier is exchangeable for new stock; that the new stock in turn has been exchanged for a still newer issue, and that in the process the number of original shares has changed.

Thus, a pre-1929 mining stock certificate, brought by an elderly woman to her broker a week or two ago, was found to have no market value, but it was exchangeable for fewer shares in a reorganized concern which had acquired the property, and in turn had passed the property on to a third company, in which the women was entitled to stock in exchange for her own.

If and when the new company brings the property to the production stage, the woman again has an opportunity to share in any earnings.

The case is also known of a woman who was left several types of securities in the estate of a relative. Some of the shares were in sound companies without listings on the stock exchange. It was some time before she realized they had a high value, but in such cases any responsible broker can quickly determine the market status of the stock.

**Missing Dividends**

Equally important in the case of "old stocks" is the fact that owners are in danger of missing dividends if they have not maintained a close contact with the company's affairs.

Changes of address, neglect to have the shares transferred from one name to that of the real owner, and other oversights may also result in dividends being listed by the company as "unclaimed" until the owner takes the trouble to identify herself. Many companies have been able to resume dividend payments since 1929 or 1930, and while they make every effort to locate their shareholders, it is at times impossible to trace the latter if addresses have been changed several times. "Rights" to purchase additional share are sometimes missed for the same reason.

Stories are often told of old securities coming to light after years in trunks and safety deposit boxes. The hectic speculative boom up to 1929, the subsequent disorganization of many companies and their still more recent rehabilitation may yet result in the greatest crop of valuable forgotten securities in the history of modern finance.

But for every share that turns up and has a market value, there are hundreds that can be stamped "Souvenir of 1929" and laid away again.

# Municipal Finances

**Campbellton,** N.B., receipts of current and arrears of taxes totalled $133,617 to Oct. 31, an increase of some $21,000 over the 1934 period. The bank overdraft has been reduced $8,500.

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**Saskatoon,** total receipts, including arrears, were $1,496,433 up to Nov. 30, compared with $1,302,717 in the 1934 period. November collections totalled $174,551, compared with $197,960 in the 1934 month. Since prepayments were heavy this year, owing to an active collection campaign, receipts have been reduced in later months.

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**New Toronto** total receipts were $359,996 this year, compared with expenditures of $296,996, leaving a surplus of $53,000. Aggregate tax collections were $258,500, compared with the budget estimate of $240,000. A financial statement is not being issued because of economy measures sponsored by Ontario authorities, supervising the defaulting town's finances.

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**Fredericton** is considering construction, in partnership with York County, N.B., of a $50,000 public abattoir and cold storage plant. The Dominion would contribute $15,000.

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**Mimico** will not issue a printed financial statement this year. A. J. Gray, Ontario's supervisor for the defaulting town, is understood to have ruled against the necessary expenditure.

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**Nanaimo** council is asking the B. C. government for $200,000 to complete a pipe line to improve the city's water supply.

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**Hamilton** board of control has authorized the city treasurer's department to prepare 1936 estimates. One result is expected to be avoidance of over-estimating, and another is expectation of an early budget and tax rate.

**Stratford** has been asked by Ontario municipal authorities to explain its high per capita relief costs before considering the city's application for authority to issue $50,000 of debentures for relief purposes.

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**London** voters have approved placing control of the London and Port Stanley railway under the control of the Public Utilities Commission. The road loses money for the city. The city has expended $369,263 on relief works this year.

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**Toronto** is expected to have another record-breaking high tax rate in 1936. Overdraft of $400,000 for 1935, plus maturities of relief debentures, will be major factors. Unemployment relief expenditures in 1935 will be $3.6 millions, compared with $3.2 millions in 1934. The increase is attributed largely to Ontario government legislation.

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**Regina** is expected to have a small surplus this year, but the tax rate of 51 mills is unlikely to be reduced, and may be increased, in 1936. The city has $267,000 in bond interest to meet Jan. 1.

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**Ottawa** taxpayers have voted against paying unemployment relief costs out of current revenue. Relief costs may, therefore, be funded in 1936.

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**Vancouver** current tax collections to Nov. 30 were $8,755,581 out of a levy of $11,069,492. This compares with collections of $8,528,233 of a levy of $12,004,700 in the first 11 months of 1934. The increase was more than offset by a decline in collections of arrears. Total revenue to Nov. 30 was $13,293,907, compared with $13,411,724 to the same date of 1934. Assessment for 1936 totals $318,482,684, compared with $347,663,737 for 1935. This is a reduction of $29,181,053. Since the budget provided for a deficit in 1935, the 1936 tax rate will have to be raised from 37.881 mills, or expenditures will have to be decreased.

• • •

**Windsor** city council has added $150,290 to the budget of $3,150,000 drawn up by the finance commission, making the total $3,300,290. The budget, of course, is not yet final, and is expected to get some criticism. Any increase in the budget amounts to a subtraction from the probable balance available for service of the city's debentures which are in default.

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**Peterborough** total tax receipts, including arrears, were $895,895 to Nov. 30, compared with $850,740 in the 1934 period. Most of the increase is due to better current tax collections, although arrears also show an increase.

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**Jonquiere,** Que., school corporation has been authorized to pay debenture coupons due Sept. 30, 1935.


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# Quotations

## Montreal, Toronto Listed and Curb Prices

## Canadian Bond Markets

WEEK ENDING DECEMBER 16

| Range 1935 High | Range 1935 Low | Divd. Rate | Y'ld in % Dec. 14 | Company | Sales | Close Dec. 9 (or last) | Week Ending Dec. 16 High | Low | Close |
|---|---|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | | | |

## Government Bonds

(Furnished by Toronto Bond Traders' Ass'n.)

December 16, 1935

Dominion of Canada Bonds

| Issue | Rate | Maturity | Bid | Asked | Approx. Yield | Bid Dec. 11 |
|---|---|---|---|---|---|---|
| [illegible] | | | | | | |

Dominion Guaranteed Bonds

| Issue | Rate | Maturity | Bid | Asked | Approx. Yield | Bid Dec. 11 |
|---|---|---|---|---|---|---|
| [illegible] | | | | | | |

Provincial Government Bonds

| Issue | Rate | Maturity | Bid | Asked | Approx. Yield | Bid Dec. 11 |
|---|---|---|---|---|---|---|
| [illegible] | | | | | | |
| *Ontario | 4 | 1 June 1962 | 102.50 | 105.00 | 3.70 | 102.50 |
| *Ontario | 4½ | 1 Sept. 1944 | 107.50 | 109.50 | 3.25 | 107.50 |
| Ontario | 4½ | 1 June 1950 | 106.00 | 107.50 | 3.82 | 106.00 |
| *Ontario | 4½ | 15 Jan. 1962 | 106.00 | 110.00 | 3.89 | 106.00 |
| Ontario | 5 | 15 Oct. 1948 | 109.50 | 110.50 | 3.96 | 109.50 |

Municipal Bonds

| Issue | Rate | Maturity | Bid | Asked | Approx. Yield | Bid Dec. 11 |
|---|---|---|---|---|---|---|
| [illegible] | | | | | | |

*Payable Can., N.Y. & £. ‡Payable Can. & N.Y. —Calculated to call date giving lowest possible yield. Calculated to maturity, although callable prior to that date. †Exempt from Dominion income tax.

### The Financial Post's Quotations

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of an approximate price is better than none at all.

## Mining Stock Quotations

WEEK ENDING DECEMBER 16

| Par Val. | Range 1935 High | Low | Company | Sales | Close Dec. 9 (or last) | High for week | Low for week | Close Dec. 16 |
|---|---|---|---|---|---|---|---|---|
| 1 | .77½ | .38 | Afton | 68,950 | .62 | .70½ | .60 | .60 |
| No | .11 | .04 | Aldermac | 10,600 | .08 | .08 | .07½ | .08 |
| 1 | .02¾ | .00¾ | Alexandria | 4,000 | .01 | .01¾ | .01½ | .01¾ |
| No | .58 | .35 | Algold | 10,200 | .57 | .58 | .57½ | .58 |
| No | .08¾ | .02½ | Algoma | 4,700 | .04¾ | .04½ | .03½ | .03½ |
| No | 4.75 | 3.55 | Anglo-Huronian | 2,405 | 4.00 | 4.75 | 4.00 | 4.25 |
| No | .04 | .01½ | Arno | ...... | .01½ | ..... | ..... | ..... |
| 1 | 1.19 | .95 | Arntfield | 3,200 | 1.00 | 1.00 | .95 | .95 |
| 1 | .32 | .06½ | Ashley | 9,850 | .22 | .23 | .18 | .18½ |
| 1 | .08 | .02 | Astoria Rouyn | 2,500 | .02½ | .02½ | .02½ | .02½ |
| 1 | .14 | .03 | Bagamac | 20,200 | .06 | .06½ | .05½ | .05½ |
| 1 | .08½ | .02½ | Barry Hollinger | 12,400 | .04½ | .04½ | .04 | .04 |
| 1 | .94 | .10 | Base Metals | 139,225 | .47 | .52 | .35 | .35 |
| 1 | 1.06 | .14 | B.E.A.R. | 19,700 | .47 | .46 | .40 | .40 |
| No | 2.16 | 1.25 | Beattie Gold | 63,261 | 1.65 | 1.78 | 1.55 | 1.58 |
| 1 | .76 | .30 | Big Missouri | 131,337 | .74 | .76 | .68½ | .70 |
| 1 | .38 | .16½ | Bobjo | 34,834 | .19 | .19½ | .18 | .18 |
| No | 12.50 | 4.25 | Bralorne | 20,030 | 5.40 | 5.65 | 5.30 | 5.45 |
| 1 | .61 | .20 | Brazil Gold | 16,100 | .35 | .37 | .30 | .30 |
| 1 | .03 | .00½ | Brett Trethewey | 3,000 | .02½ | .02½ | .02 | .02 |
| 50c. | .24 | .07 | B.R.X. Gold | 4,000 | .09 | .08½ | .07½ | .07½ |
| 1 | 4.07 | 2.35 | Buffalo Ankerite | 23,633 | 3.75 | 4.07 | 3.68 | 3.72 |
| No | .03½ | .00¾ | Buffalo Can. | 24,500 | .02½ | .02½ | .02 | .02 |
| 5 | 38.15 | 30.00 | Bulolo Gold | 1,560 | 33.00 | 35.00 | 33.00 | 35.00 |
| No | .08½ | .03 | Bunker Hill | 3,100 | .07½ | .07 | .06 | .07 |
| 1 | .03½ | .01 | Can. Kirkland | 34,000 | .01¾ | .02 | .01¾ | .02 |
| No | 1.14 | .54 | Can. Malartic | 42,841 | 1.03 | 1.07 | .99 | 1.00 |
| 1 | 1.50 | .95 | Cariboo Gold | 3,350 | 1.29 | 1.27 | 1.18 | 1.25 |
| 1 | .05½ | .02 | Cartier Malartic | 1,500 | .02½ | .02½ | .02½ | .02½ |
| 1 | 1.34 | .55 | Castle Trethewey | 69,890 | 1.31 | 1.23 | 1.10 | 1.10 |
| 1 | .10 | .02½ | Cen. Manitoba | 81,500 | .07 | .10 | .06½ | .08¾ |
| 1 | 2.86 | 1.12 | Cen. Patricia | 104,270 | 2.83 | 2.83 | 2.50 | 2.53 |
| No | .27 | .08 | Chibougamau Pros. | 98,000 | .14½ | .17 | .14½ | .16 |
| No | .06½ | .03 | Church M. & Mill | ...... | .05 | ..... | ..... | ..... |
| No | .08 | .02 | Clericy | 27,500 | .02½ | .02½ | .02½ | .02½ |
| 5 | 5.30 | 1.50 | Coast Copper | 2,440 | 4.90 | 5.00 | 3.50 | 3.50 |
| 1 | .08 | .01½ | Cobalt Contact | 24,500 | .01¾ | .01½ | .01¾ | .01¾ |
| 5 | 3.60 | 2.00 | Coniagas | 1,245 | 2.95 | 2.95 | 2.80 | 2.95 |
| No | 2.60 | 1.35 | Coniaurum | 5,860 | 2.20 | 2.23 | 1.80 | 1.85 |
| 25 | 220.00 | 125.50 | Cons. Smelters | 5,308 | 216.50 | 218.00 | 202.00 | 203.00 |
| No | 45.50 | 34.50 | Dome Mines | 5,142 | 44.25 | 45.50 | 42.00 | 42.00 |
| 1 | .10 | .03½ | Dom. Explorers | ...... | .05½ | ..... | ..... | ..... |
| 1 | .17½ | .06 | Duparquet | 21,925 | .09 | .09 | .08 | .08 |
| 1 | 2.93 | 1.02 | Eldorado | 82,615 | 1.36 | 1.35 | 1.15 | 1.21 |
| No | 8.70 | 3.25 | Falconbridge | 64,659 | 8.10 | 8.25 | 6.60 | 6.60 |
| 1 | .04½ | .02 | Federal | 24,000 | .02½ | .03½ | .02½ | .02½ |
| No | .18 | .05 | Francoeur Gold | 73,500 | .10 | .18 | .08 | .17 |
| 1 | .40 | .03 | Franklin Gold | 97,600 | .07 | .06½ | .05 | .05½ |
| 1 | .45 | .09 | Gabrielle | 600 | .25 | .22 | .20 | .22 |
| No | 2.24 | 1.17 | God's Lake | 76,439 | 1.25 | 1.33 | 1.20 | 1.21 |
| 1 | .20 | .10 | Goldale | 14,850 | .14½ | .15 | .14 | .14 |
| 50c. | .46 | .20 | Gold Belt | ...... | .33 | ..... | ..... | ..... |
| 1 | .15 | .04 | Goodfish | 10,000 | .10 | .10 | .08 | .08 |
| 1 | .07 | .02 | Graham Bosquet | 8,850 | .04 | .04 | .03 | .03 |
| 1 | .40 | .17 | Granada Gold | 15,333 | .22 | .25 | .19½ | .20 |
| No | .12 | .05½ | Grandora | 2,100 | .06 | .06 | .06 | .06 |
| 1 | .45 | .14 | Greene Stabell | 12,400 | .24 | .24 | .22 | .22 |
| 1 | .05 | .02½ | Grozelle | ...... | .05 | ..... | ..... | ..... |
| 1 | .12 | .04 | Grull Wihksne | ...... | .12 | ..... | ..... | ..... |
| 1 | .97 | .48 | Gunnar Gold | 59,500 | .80 | .81 | .75 | .76 |
| 1 | .08½ | .02 | Halcrow Swayze | 2,200 | .02¾ | .03 | .02½ | .03 |
| 1 | .49 | .30 | Hard Rock | 2,800 | .38 | .37 | .34 | .34 |
| 1 | .10 | .04 | Harker | 35,500 | .06½ | .07 | .05½ | .05½ |
| 5 | 20.25 | 11.65 | Hollinger | 16,222 | 14.75 | 14.80 | 14.00 | 14.00 |
| 1 | 1.10 | .55 | Howey Gold | 41,400 | .77 | .79 | .65 | .65 |
| No | 24.37 | 11.50 | Hudson Bay | 5,710 | 23.50 | 23.75 | 22.00 | 22.00 |
| 1 | 15.35 | 11.35 | Inter. Mining | ...... | 13.35 | ..... | ..... | ..... |
| 1 | 6.50 | 5.00 | Do., Pur. Warr. | ...... | 5.00 | ..... | ..... | ..... |
| No | 47.75 | 22.25 | Int. Nickel | 136,663 | 47.00 | 46.62 | 41.12 | 41.25 |
| 100 | 130.75 | 125.00 | Do., pref. | ...... | 125.00 | ..... | ..... | ..... |
| 1 | .26 | .09½ | J. M. Cons. Gold | 313,226 | .18½ | .26 | .18 | .25 |
| 1 | .75 | .40 | Kerr Lake | 2,110 | .50 | .55 | .40 | .40 |
| 1 | .31 | .20 | Kirk. Hud. Bay | 3,600 | .27 | .29 | .25 | .25 |
| 1 | .65 | .33½ | Kirkland Lake | 101,360 | .50 | .53 | .48 | .50 |
| 1 | .33½ | .12 | Kirk. Townsite | 11,700 | .15 | .15 | .13½ | .13½ |
| No | .07 | .02 | Lake Maron | 3,000 | .03 | .02½ | .02 | .02½ |
| 1 | 58.00 | 46.25 | Lake Shore | 2,494 | 53.50 | 54.00 | 52.37 | 52.37 |
| No | .08 | .01¾ | Lamaque Contact | 22,500 | .03½ | .04½ | .03½ | .04¾ |
| 1 | .18 | .07 | Lebel Oro | 33,165 | .09 | .10 | .07 | .08¾ |
| 1 | .08 | .02¾ | Lee Gold | 12,500 | .03 | .03 | .02¾ | .02¾ |
| No | 7.25 | 4.15 | Little Long Lac | 51,285 | 6.15 | 6.35 | 5.90 | 6.10 |
| 1 | 3.38 | 1.31 | Macassa | 182,285 | 3.20 | 3.38 | 3.10 | 3.16 |
| 1 | .03 | .00¾ | Malrobic | 7,500 | .01 | .01 | .01 | .01 |
| No | .14 | .05½ | Mandy | 5,525 | .13½ | .14 | .12 | .12 |
| No | .12½ | .03 | Man. & Eastern | 9,300 | .04¾ | .04¾ | .04 | .04½ |
| 1 | .14 | .02½ | Maple Leaf | 17,700 | .05 | .06½ | .05 | .06 |
| 5 | 46.00 | 34.00 | McIntyre | 37,245 | 40.00 | 42.25 | 39.50 | 40.00 |
| 1 | 1.45 | .96 | McKenzie R.L. | 318,585 | 1.25 | 1.42 | 1.23 | 1.30 |
| 1 | .70 | .35 | McKinley | ...... | .50 | ..... | ..... | ..... |
| 1 | .46½ | .06 | McMillan | 66,900 | .09 | .09½ | .07 | .07 |
| No | 2.15 | .45 | McWatters | 77,725 | 1.75 | 1.85 | 1.60 | 1.61 |
| 1 | .40 | .10 | McVittie | 54,160 | .18 | .23½ | .17 | .19 |
| No | 1.53 | .85 | Mining Corp. | 22,165 | 1.50 | 1.50 | 1.35 | 1.35 |
| No | .21 | .07½ | Minto Mines | ...... | .08 | ..... | ..... | ..... |
| 1 | .16 | .05 | Moneta | 4,500 | .06 | .06½ | .06 | .06 |
| 1 | .79 | .35 | Morris Kirk | 19,800 | .59½ | .60 | .58½ | .59 |
| 1 | .01½ | .00½ | Murphy | 1,000 | .01 | .00¾ | .00¾ | .00¾ |
| No | .04 | .01 | Newbec | 9,500 | .02¾ | .02½ | .02½ | .02½ |
| 1 | .04½ | .00¾ | Night-Hawk Penn. | 16,000 | .01 | .01½ | .01½ | .01½ |
| 5 | 2.87 | 2.00 | Nipissing | 35,885 | 2.35 | 2.87 | 2.40 | 2.75 |
| No | 47.87 | 31.00 | Noranda | 24,125 | 47.75 | 47.75 | 43.00 | 43.25 |
| No | .33 | .16 | Nor. Canada | 9,100 | .27 | .33 | .27 | .27 |
| 1 | .75 | .30 | O'Brien | 3,000 | .50 | .55 | .50 | .53 |
| 1 | .10 | .03 | Osisko | 1,500 | .06½ | .06½ | .06½ | .06½ |
| 1 | .32 | .18 | Parkhill | 22,200 | .19 | .20 | .18½ | .19 |
| 1 | .04½ | .01 | Pawnee Kirk. | 9,500 | .02½ | .02½ | .02 | .02½ |
| 1 | .46½ | .16 | Paymaster | 228,097 | .46½ | .46½ | .40 | .40 |
| 1 | 1.15 | .40 | Pend. Oreille | 30,600 | 1.07 | 1.10 | .95 | .95 |
| 1 | 1.20 | .55 | Perron Gold | 32,600 | 1.15 | 1.15 | 1.04 | 1.15 |
| 1 | .09½ | .01½ | Peterson Cobalt | 33,000 | .03¾ | .03¾ | .02¾ | .03 |
| 1 | 3.58 | 2.10 | Pickle Crow | 27,530 | 3.55 | 3.55 | 3.40 | 3.40 |
| 1 | 12.25 | 9.00 | Pioneer Gold B.C. | 6,765 | 9.75 | 10.15 | 9.60 | 9.65 |
| 1 | .06 | .03 | Porcupine Crown | 11,900 | .04 | .04½ | .04 | .04 |
| 1 | 2.05 | 1.35 | Premier Gold | 14,500 | 1.90 | 1.90 | 1.74 | 1.75 |
| 1 | .03 | .01 | Preston E. Dome | 1,500 | .02 | .02¾ | .02½ | .02½ |
| No | 3.35 | 1.25 | Prospectors Air's. | 4,350 | 2.85 | 2.95 | 2.70 | 2.70 |
| 1 | .95 | .09¾ | Quebec Gold | 19,800 | .85 | .95 | .82 | .93 |
| No | .15 | .02½ | Quemont | 500 | .05 | .06½ | .06½ | .06½ |
| 1 | 1.48 | .55 | Read Authier | 94,032 | 1.22 | 1.48 | 1.20 | 1.21 |
| No | .43 | .25 | Red Lake | 25,800 | .38½ | .40½ | .38½ | .38½ |
| 1 | 1.07 | .73 | Reno Gold | 21,900 | 1.08 | 1.08 | .99 | 1.00 |
| 1 | .02¾ | .00½ | Ritchie | 2,000 | .01½ | .01½ | .01½ | .01½ |
| 1 | .10¾ | .02 | Robb Montbray | 20,900 | .05½ | .05½ | .05 | .05 |
| 1 | .10½ | .02¾ | Roche Long Lac | 7,500 | .04½ | .04½ | .04½ | .04½ |
| 1 | 5.20 | 2.00 | San Antonio | 19,540 | 3.55 | 3.60 | 3.15 | 3.15 |
| 50c. | 1.25 | .54 | Sheep Creek | 1,700 | .75 | .73 | .71 | .71 |
| 1 | 1.23 | .45 | Sherritt Gordon | 107,279 | 1.19 | 1.20 | .95 | .95 |
| 1 | 3.29 | 2.40 | Siscoe | 32,663 | 2.75 | 2.75 | 2.62 | 2.62 |
| 1 | 5.10 | 3.30 | South Amer. Gold | ...... | 5.00 | ..... | ..... | ..... |
| No | .15 | .02 | South Tiblemont | 31,000 | .03½ | .03¾ | .03 | .03 |
| No | .32 | .13½ | Stadacona | 162,650 | .17 | .20½ | .17 | .20 |
| 1 | .39 | .14½ | St. Anthony | 25,700 | .23 | .24 | .18 | .18 |
| No | 4.10 | 1.25 | Sudbury Basin | 38,750 | 3.75 | 3.80 | 2.96 | 3.05 |
| 1 | .11 | .03 | Sudbury Contact | 13,000 | .06¾ | .06½ | .06 | .06 |
| 1 | .09½ | .03 | Sudbury Mines | 98,500 | .05½ | .05½ | .04½ | .04¾ |
| 1 | .91½ | .35 | Sullivan Cons. | 166,430 | .88 | .91½ | .81 | .81¾ |
| 1 | 2.70 | 2.00 | Sylvanite | 24,044 | 2.43 | 2.57 | 2.40 | 2.40 |
| 1 | .67 | .25 | Tashota | 22,050 | .30 | .34 | .29 | .29 |
| 1 | 5.30 | 3.67 | Teck Hughes | 46,035 | 5.10 | 5.30 | 4.75 | 4.75 |
| 1 | .03 | .00¾ | Timiskaming | 4,100 | .02½ | .02½ | .02 | .02½ |
| 1 | 1.45 | 1.00 | Toburn Gold | 3,600 | 1.28 | 1.30 | 1.25 | 1.25 |
| 1 | .30½ | .10 | Towagmac | 4,500 | .23 | .23 | .18 | .19 |
| 1 | .60 | .10 | Treadwell | 600 | .50 | .60 | .50 | .50 |
| No | 1.93 | .80 | Ventures | 150,695 | 1.82 | 1.85 | 1.56 | 1.61 |
| No | 1.15 | .45 | Waite Amulet | 14,134 | 1.13 | 1.14 | .92 | .92 |
| 50c. | .24½ | .07 | Wayside | 34,500 | .15¾ | .16 | .15¾ | .15½ |
| No | .10½ | .01½ | White Eagle | 61,300 | .03¾ | .04 | .03¾ | .03¾ |
| 1 | .07 | .03 | Wiltsey Coughlan | 18,200 | .04 | .03½ | .03¾ | .03¾ |
| 1 | .07¾ | .03¾ | Wood Kirkland | 4,500 | .04 | .04 | .04 | .04 |
| No | 9.90 | 6.90 | Wright-Hargreaves | 26,620 | 8.10 | 8.15 | 7.70 | 7.70 |
| No | .85 | .26 | Ymir Yankee | 27,000 | .50 | .57 | .43 | .50 |

OIL STOCKS

| Par Val. | Range 1935 High | Low | Company | Sales | Close Dec. 9 (or last) | High for week | Low for week | Close Dec. 16 |
|---|---|---|---|---|---|---|---|---|
| No | .26 | .13 | Acme Gas & Oil | 10,600 | .14 | .16 | .15 | .15½ |
| 1 | 1.00 | .40 | Ajax | 1,620 | .55 | .60 | .55 | .55 |
| No | .85 | .49 | Calgary & Ed. | 780 | .80 | .80 | .70 | .80 |
| 1 | .08 | .04 | Calmont | 3,500 | .07½ | .07 | .06¾ | .06¾ |
| No | .05¾ | .03 | Common Pete. | 2,100 | .05 | .04½ | .04½ | .04½ |
| No | .50 | .15 | Dalhousie | 10,910 | .42½ | .45 | .38 | .38 |
| No | .12 | .04 | East Crest | 4,000 | .07 | .08 | .06½ | .06½ |
| No | .90 | .08 | Foothills | 5,050 | .85 | .80 | .52 | .52 |
| No | .15 | .10½ | High Sarcee | ...... | .14½ | ..... | ..... | ..... |
| No | .90 | .42 | Home | 9,760 | .82 | .80 | .70 | .75 |
| 1 | .14 | .04½ | Homestead O. & G. | 18,300 | .07½ | .14 | .08 | .14 |
| No | .13½ | .06 | Lowery | ...... | .07½ | ..... | ..... | ..... |
| No | .27 | .14 | Merland | 1,600 | .15 | .15 | .15 | .15 |
| 5 | .28½ | .03 | Nordon | 153,990 | .26 | .27½ | .20 | .21½ |
| No | .07 | .03¾ | Oil Selections | 2,500 | .04½ | .04¾ | .04½ | .04½ |
| No | .06½ | .02¾ | Olga Gas & Oil | 316,500 | .04 | .05½ | .04 | .04¾ |
| No | .65 | .40 | Petrol Oil & Gas | 2,350 | .55 | .60 | .55 | .55 |
| No | 30.50 | 18.00 | Royalite | 7,378 | 28.50 | 30.00 | 28.25 | 29.25 |
| No | .12 | .04 | South West Pete. | ...... | .08 | ..... | ..... | ..... |
| No | 1.41 | .55 | Texas Can. | 5,000 | 1.37 | 1.38 | 1.30 | 1.30 |

VANCOUVER STOCK EXCHANGE
(Transaction for Week to December 13.)

| Par Val. | Range 1935 High | Low | Company | Sales | Close Dec. 6 (or last) | High for week | Low for week | Close Dec. 13 |
|---|---|---|---|---|---|---|---|---|
| 1 | .02½ | .00½ | Alexandria | ...... | .00½ | ..... | ..... | ..... |
| 25c. | .01½ | .00½ | Bayview | ...... | .00½ | ..... | ..... | ..... |
| 20c. | .10½ | .03½ | Beaver Silver | 9,100 | .04½ | .04½ | .03¾ | .03¾ |
| 25c. | .02½ | .01 | Bluebird | ...... | .01 | ..... | ..... | ..... |
| No | 12.25 | 4.35 | Bralorne | 8,915 | 5.65 | 5.65 | 5.40 | 5.50 |
| 1 | .08½ | .03 | Bridge River Cons. | 8,500 | .03 | .03½ | .03½ | .03½ |
| 50c. | .24 | .07 | B.R.X. Gold | 2,000 | .08 | .09 | .08 | .08 |
| 1 | .55 | .14 | B.C. Nickel | 28,100 | .23 | .25 | .19½ | .21 |
| 1 | 1.80 | .90 | B.C. Silver | 100 | 1.75 | 1.75 | 1.75 | 1.75 |
| 10 | 43.00 | 43.00 | Bunker H. Sullivan | ..... | 43.00 | ..... | ..... | ..... |
| 50c. | .10 | .03 | Canadian Rand | ...... | .05 | ..... | ..... | ..... |
| 1 | 1.50 | .95 | Cariboo Gold | 8,100 | 1.24 | 1.28 | 1.20 | 1.20 |
| 1 | .54 | .12 | Congress Gold | 16,100 | .19½ | .20 | .15 | .15 |
| 25c. | .00½ | .00¼ | Cork Province | ...... | .00¼ | ..... | ..... | ..... |
| 1 | .09 | .02½ | Cotton Belt | 2,000 | .03½ | .02½ | .02½ | .02½ |
| 1 | .01½ | .00½ | Dalhousie Mines | ...... | .01 | ..... | ..... | ..... |
| No | .95 | .15½ | Dentonia | 45,500 | .33 | .34 | .30 | .30½ |
| No | .06¾ | .01 | Dictator | 4,000 | .02 | .01¾ | .01½ | .01¾ |
| 1 | .17 | .03 | Dunwell | 500 | .03½ | .03 | .03 | .03 |
| No | .16½ | .04 | Fairview Amal. | 3,900 | .04½ | .07 | .05 | .06 |
| 50c. | .46 | .25 | Fawn Mining | 4,100 | .37 | .39 | .37 | .39 |
| 1 | .13 | .05 | Federal Gold | 58,000 | .09 | .10 | .09 | .09 |
| 1 | .30 | .12 | George Copper | 1,600 | .30 | .25 | .25 | .25 |
| 50c. | .08 | .03 | George Enterprise | 1,100 | .05½ | .06 | .05 | .05 |
| 1 | .01¾ | .00½ | Georgia River | 28,000 | .01 | .01¾ | .01 | .01½ |
| 50c. | .06¾ | .01 | Glacier Creek | ...... | .01½ | ..... | ..... | ..... |
| 1 | .42 | .11 | Golconda | 28,500 | .12 | .15 | .11 | .12 |
| 50c. | .45½ | .18 | Gold Belt | 14,800 | .28 | .32 | .29 | .30 |
| 50c. | .19 | .02½ | Gold Mountain | 42,500 | .03½ | .07 | .04½ | .06¾ |
| 50c. | .04½ | .01½ | Grandview | 38,800 | .02½ | .04 | .02½ | .03 |
| No | .24 | .01½ | Grange Mines | 13,000 | .01 | .01¾ | .01½ | .01¾ |
| 1 | .12½ | .04½ | Grull Wihksne | 15,400 | .11 | .12 | .09 | .09 |
| No | .03 | .03 | Haida Gold | ...... | .03 | ..... | ..... | ..... |
| 25c. | 11.50 | 6.40 | Hecla | ...... | 9.85 | ..... | ..... | ..... |
| 50c. | .29 | .18 | Hedley Amal. | 9,800 | .26½ | .26½ | .25 | .25 |
| No | .12 | .04 | Hedley Sterling | ...... | .06 | ..... | ..... | ..... |
| 1 | .02 | .01 | Hercules Cons. | ...... | .01 | ..... | ..... | ..... |
| No | .12½ | .02 | Home Gold | 19,800 | .03 | .03½ | .03½ | .03½ |
| 1 | .01¾ | .00½ | Independence | ...... | .00½ | ..... | ..... | ..... |
| 1 | .03 | .01 | Indian Mines | 9,000 | .03 | .01½ | .01½ | .01½ |
| 50c. | 1.07 | .68 | Island Mountain | 9,550 | .95 | 1.02 | .96 | 1.00 |
| 1 | .20 | .17 | Inter'tl Coal | ...... | .20 | ..... | ..... | ..... |
| 50c. | .72 | .30 | Kootenay Belle | 5,500 | .48 | .48 | .45 | .45 |
| 20c. | .01½ | .00½ | Koot. Florence | ...... | .00½ | ..... | ..... | ..... |
| 25c. | .01¾ | .00¾ | Lakeview | ...... | .00¾ | ..... | ..... | ..... |
| 10c. | .04½ | .01 | Lucky Jim | 5,000 | .02 | .02 | .01½ | .01½ |
| No | .41 | .07 | Mak Siccar | 13,600 | .12½ | .13 | .10 | .10 |
| 50c. | .00¾ | .00½ | Marmot Metals | ...... | .00¾ | ..... | ..... | ..... |
| 1 | .21 | .16 | McGillivray Creek | ...... | .20 | ..... | ..... | ..... |
| 50c. | .30 | .10 | Meridian Min. | 5,200 | .11 | .14 | .12 | .13½ |
| No | .24½ | .05 | Minto Mines | 137,150 | .07½ | .11 | .07½ | .10½ |
| No | .12½ | .03 | Morning Star | 38,800 | .04 | .03½ | .03¾ | .03¾ |
| 1 | .02 | .00½ | Morton Woolsey | ...... | .00½ | ..... | ..... | ..... |
| 25c. | .06½ | .02½ | National Silver | 15,000 | .02½ | .03 | .02½ | .02½ |
| 50c. | .17 | .05 | Nicola | 62,900 | .16½ | .16½ | .10½ | .10½ |
| 50c. | .16 | .04½ | Noble Five | 31,300 | .05½ | .06 | .04¾ | .04¾ |
| No | .09¾ | .01½ | Pilot Gold | 2,000 | .02½ | .02 | .02 | .02 |
| 1 | 12.40 | 9.10 | Pioneer Gold | 1,211 | 9.65 | 10.00 | 9.70 | 10.00 |
| 50c. | .15 | .04¾ | Porter Idaho | 14,000 | .05 | .05½ | .05 | .05 |
| No | .01 | .00¾ | Premier Border | 5,000 | .00¾ | .00½ | .00½ | .00½ |
| 1 | .02½ | .01½ | Quatsino Copper | 1,000 | .02½ | .01¾ | .01¾ | .01¾ |
| 25c. | .17 | .05 | Quesnelle Quartz | 1,500 | .05 | .05 | .05 | .05 |
| No | .18 | .08 | Reeves McDonald | 3,920 | .08 | .14 | .10 | .10 |
| 1 | .45 | .25 | Relief Arlington | 8,900 | .39 | .39 | .38 | .38 |
| 1 | 1.62 | .72 | Reno Gold | 16,160 | 1.10 | 1.12 | .95 | .99 |
| 1 | .04¾ | .02 | Reward Mining | 5,000 | .02 | .02½ | .02 | .02 |
| 1 | .01½ | .00¾ | Rufus Argenta | ...... | .00¾ | ..... | ..... | ..... |
| 1 | .05½ | .00½ | Ruth Hope | ...... | .01 | ..... | ..... | ..... |
| 1 | .62 | .16 | Sally Mines | 3,000 | .20 | .21 | .19 | .19 |
| 50c. | .18 | .06 | Salmon Gold | 7,000 | .07½ | .08½ | .07½ | .08 |
| 50c. | 1.18 | .55 | Sheep Creek | 13,700 | .74 | .75 | .69 | .70 |
| 1 | .05 | .02 | Silverado | 5,000 | .05 | .03 | .03 | .03 |
| 25c. | .02½ | .00½ | Silvercrest | ...... | .00½ | ..... | ..... | ..... |
| 20c. | .12 | .01 | Silversmith | 4,000 | .01½ | .01½ | .01½ | .01½ |
| 50c. | .01½ | .00½ | Snowflake | ...... | .00½ | ..... | ..... | ..... |
| 1 | .76 | .46 | Standard Silver | 2,100 | .50 | .48 | .47 | .47 |
| 10c. | 23.75 | 11.45 | Sunshine | 100 | 19.15 | 21.50 | 21.50 | 21.50 |
| No | .32 | .14 | Taylor Bridge | 15,100 | .16 | .17 | .15 | .15 |
| 1 | .20½ | .08½ | Taylor Windfall | ...... | .10 | ..... | ..... | ..... |
| 5 | .35 | .15 | Toric | ...... | .15 | ..... | ..... | ..... |
| 50c. | .10 | .03 | United Empire | ...... | .03 | ..... | ..... | ..... |
| No | .98 | .13 | Vidette Gold | 35,700 | .90 | .94 | .70 | .70 |
| No | .06 | .00½ | Viking Gold | ...... | .00¾ | ..... | ..... | ..... |
| No | .07½ | .02 | Waterloo Gold | ...... | .02 | ..... | ..... | ..... |
| 50c. | .01½ | .00¾ | Waverley Tangier | 1,000 | .00½ | .00¾ | .00¾ | .00¾ |
| 50c. | .23½ | .07½ | Wayside | 33,450 | .16 | .15½ | .14½ | .15½ |
| 20c. | .04 | .01 | Wellington | 7,000 | .01¾ | .01½ | .01½ | .01½ |
| No | .09¾ | .02 | White Eagle | ...... | .02 | ..... | ..... | ..... |
| 1 | .14 | .04 | Whitewater | 28,000 | .06½ | .08½ | .06½ | .06½ |
| No | .83 | .26 | Ymir Yankee Girl | 8,000 | .43 | .55 | .45 | .52 |

OIL STOCKS

| Par Val. | Range 1935 High | Low | Company | Sales | Close Dec. 6 (or last) | High for week | Low for week | Close Dec. 13 |
|---|---|---|---|---|---|---|---|---|
| 1 | .11½ | .04¾ | Alta. Pac. Cons. | 13,340 | .09 | .11½ | .09 | .10½ |
| 1 | .22 | .03 | Amalgamated | 4,700 | .03½ | .03¾ | .03½ | .03½ |
| 1 | .04 | .00½ | Anaconda | ...... | .02½ | ..... | ..... | ..... |
| No | .05 | .00¾ | Baltac | ...... | .00¾ | ..... | ..... | ..... |
| 1 | .10 | .05 | Brit. Dominion | 100 | .05 | .10 | .10 | .10 |
| 1 | .25 | .03 | Crow's Nest | 7,300 | .03 | .03½ | .03 | .03½ |
| No | .04 | .01 | Devenish | 1,000 | .03 | .03 | .03 | .03 |
| No | .11 | .04 | Freehold | 4,910 | .08 | .08 | .07 | .07½ |
| No | .04½ | .01 | Hargal | ...... | .01 | ..... | ..... | ..... |
| No | .15 | .08¾ | High Sarcee | 5,000 | .11 | .13½ | .12 | .12 |
| No | .01½ | .00¾ | Madison | 45,500 | .01 | .01¾ | .01 | .01¾ |
| No | .17 | .07 | Marjon Oil | 9,200 | .13 | .15 | .13 | .13 |
| No | .06 | .02 | McD. Segur Ex. | 1,200 | .06 | .06½ | .05 | .05 |
| 1 | .55 | .30 | McLeod | 815 | .55 | .53 | .50 | .50 |
| No | .15 | .09 | Mercury | 22,800 | .14 | .14½ | .13½ | .13½ |
| No | .14 | .07 | Mill City Pete. | 600 | .12 | .10 | .09 | .09 |
| 1 | .38 | .18 | Model Oil | 5,400 | .23½ | .23½ | .21½ | .21½ |
| No | .06½ | .03½ | Okalta | 1,500 | .03½ | .04 | .04 | .04 |
| No | .10½ | .02 | Pacalta Oil | 21,500 | .06½ | .07½ | .05 | .05 |
| 1 | 1.35 | .24½ | Ranchmen's | 61,230 | 1.11 | 1.35 | .85 | .61 |
| No | .01 | .01 | Richfield | ...... | .01 | ..... | ..... | ..... |
| 1 | .28 | .15 | Spooner | 430 | .22½ | .20½ | .18 | .20½ |
| No | .10 | .03 | United | 29,500 | .06½ | .08½ | .06 | .06 |
| No | .14 | .04 | Vanalta | 2,000 | .05½ | .05½ | .05 | .05½ |
| 1 | .07 | .06 | Vulcan | ...... | .06 | ..... | ..... | ..... |
| 75c. | .07 | .04 | Wellington Oil | ...... | .07 | ..... | ..... | ..... |

### Montreal, Toronto and Curb Markets (Cont'd)

| Range 1935 High | Low | Divd. Rate | Y'ld % | Company | Sales | Close Dec. 9 | High | Low | Close |
|---|---|---|---|---|---|---|---|---|---|
| 18½ | 16¾ | 1 | 5.7 | Do. pref. | 2149 | 17¾ | 17¾ | 17½ | 17¾ |
| 4.25 | 2.00 | . | ... | Walkerville Br. | 1605 | 2.62 | 2.75 | 2.37 | 2.75 |
| 2.75 | 1.00 | . | ... | Waterloo Mfg. | .... | 1.75 | .. | .. | .. |
| 6½ | 2½ | . | ... | West. C. Flour. | 89 | 6½ | 6½ | 6 | 6½ |
| 52 | 20 | | .. | Do pref | 45 | 50 | 50 | 50 | 50 |
| 47½ | 32 | 50c | ... | West. Grocers | 5 | 46 | 47½ | 47½ | 47½ |
| 106 | 95 | 7 | 6.7 | Do. pref. | .... | 105 | .. | .. | .. |
| 120 | 120 | 7 | 5.8 | W Koot Pr pf. | .... | 120 | .. | .. | .. |
| 17 | 13¾ | 60c | 4 | Weston Ltd. | 1550 | 15 | 15½ | 14¾ | 14¾ |
| 115 | 106 | 7 | 6.2 | Do. pref. | .... | 112 | .. | .. | .. |
| 8¾ | 1½ | . | .. | Whittall Can. | .... | 8½ | .. | .. | .. |
| 119 | 75 | 6.50 | 5.5 | Do. pref. | 209 | 116 | 119 | 117 | 118½ |
| 3 | 1 | . | ... | Windsor Hotel | .... | 1 | .. | .. | .. |
| 8 | 3 | . | ... | Do. pref. | .... | 3 | .. | .. | .. |
| 3.25 | .90 | . | ... | Winnipeg Elec. | 1740 | 2.50 | 3.00 | 2.75 | 3.00 |
| 14½ | 4 | . | ... | Do. pref. | 45 | 14½ | 14½ | 14½ | 14½ |
| 30 | 20½ | . | ... | Wood, A & J, p | .... | 25 | .. | .. | .. |
| 70 | 45 | . | ... | Woods Mfg. pf. | 5 | 48 | 46 | 46 | 46 |
| | | | | Z | | | | | |
| 5½ | 2½ | . | ... | Zimmerknit, c. | 276 | 2¾ | 3 | 2¾ | 2¾ |
| 85 | 63½ | . | ... | Do. pref. | .... | 63½ | .. | .. | .. |

‡ Quotations for 1934. § Quotations for 1933. † Quotations for 1931. No sales recorded in 1935 to date. b New York Quotations. ▲ On account of arrears.

## Corporation Bonds

(Furnished by Toronto Bond Traders Assoc.)

December 17, 1935

| Public Utility Issues: | Int. Rate % | Due | Bid Dec. 17 | Asked Dec. 17 | Bid Dec. 10 |
|---|---|---|---|---|---|
| ‡Avalon Tel. | 5½ | '48 | 100½ | ... | 100½ |
| Beauharnois | 5½ | '73 | 89 | 91½ | 86½ |
| Beauharnois | 5 | '73 | 32½ | 35 | 32 |
| *Bell T'phone | 5 | '55 | 114 | 116½ | 113½ |
| *Do. | 5 | '57 | 116 | 118½ | 115½ |
| †B. C. Power | 5 | '60 | 102½ | 105 | 102½ |
| †Do. | 5½ | '60 | 103½ | 106 | 104 |
| †B. C. T'phone | 5 | '60 | 105½ | 106 | 106 |
| †Calgary Pwr. | 5 | '60 | 98 | 101 | 98 |
| Do. | 5 | '64 | 94 | 97 | 95 |
| †Can. Nor. Pr. | 5 | '53 | 102½ | 104½ | 102½ |
| †Cedars Rapids. | 5 | '53 | 112 | 115 | 113 |
| Dom. Gas | 6½ | '45 | 86 | 89 | 85 |
| §Duke-Price Pr. | 6 | '66 | 103½ | 106 | 103 |
| *Gatineau Pwr. | 5 | '56 | 88 | 91 | 86 |
| *Do., A | 6 | '41 | 76½ | 79½ | 74 |
| *Do., B | 6 | '41 | 75½ | 78½ | 73½ |
| *Int'l. Hydro | 6 | '44 | 45 | 48 | 45 |
| †Maclaren-Que. | 5½ | '61 | 68 | 72 | 67½ |
| Do. | 5½ | '64 | 67½ | 71½ | 66½ |
| *Manitoba Pwr. | 5½ | '51 | 73 | 75½ | 69½ |
| †Mtl. Island Pr. | 5½ | '57 | 103½ | 106 | 104 |
| †Montreal Pwr. | 5 | '51 | 106½ | 109 | 106 |
| †Montr'l Tram. | 5 | '55 | 85 | 88 | 85 |
| †Do. | 4½ | '55 | 80 | 83 | 80 |
| †Do. | 5 | '41 | 102½ | 104½ | 102½ |
| Nat'l L. & P. | 6 | '49 | 92½ | 95½ | 92 |
| †N. S. L. & Pr. | 5 | '58 | 103 | 105½ | 103 |
| †Ottawa Light. | 5 | '57 | 105½ | 108 | 105½ |
| †Ottawa Val. Pr. | 5½ | '70 | 81½ | 84½ | 82½ |
| ‡Power Corp. | 4½ | '50 | 89 | 92 | 89 |
| *Quebec Pwr. | 5 | '68 | 104½ | 107 | 105 |
| †Shawinigan | 4½ | '70 | 100 | 102 | 100 |
| †Do. | 5 | '70 | 105 | 107½ | 105 |
| †S. Canada Pr. | 5 | '55 | 104 | 107 | 104½ |
| †United Secs. | 5½ | '52 | 80 | 83 | 80 |
| †W. Koot. Pwr. | 5 | '56 | 106 | 108½ | 105½ |
| †Western Pwr. | 5 | '49 | 104½ | 107 | 104½ |
| *Winnipeg Elec. | 5 | '35 | 99 | 101 | 99 |
| *Do. | 6 | '54 | 74 | 76½ | 71 |
| **Industrial and Realty Issues:** | | | | | |
| Abitibi Pwr. | 5 | '53 | 37½ | 40 | 34½ |
| †Alta. P. Grain. | 6 | '46 | 95½ | 98½ | 94½ |
| B. A. Oil | 5 | '45 | 105 | 107 | 104½ |
| Do. | 4 | '45 | 101½ | 104 | 101½ |
| Burns & Co. | 5½ | '48 | 81 | ... | 76 |
| Can. Biscuit | 6½ | '46 | 17 | ... | 17 |
| Canada Bread | 6 | '41 | 106½ | ... | 106 |
| †Can. Cement | 5½ | '47 | 104 | 106 | 104 |
| †Can. Paper | 6 | '45 | 101½ | ... | 101½ |
| ‡Can. Ss. Lines. | 5 | '43 | 101½ | ... | 101½ |
| Do. | 6 | '41 | 39½ | 42½ | 42 |
| †Can. Canners | 6 | '50 | 104½ | 106½ | 104½ |
| C. P. R. | 4½ | '44 | 97½ | 99½ | 97½ |
| Do. | 4 | '49 | 96½ | 98½ | 96½ |
| Can. Rail & H. | 6½ | '51 | 38 | 42 | 39½ |
| †Can. Vickers | 6 | '47 | 79½ | 82½ | 79 |
| Cons. Paper | 5½ | '61 | 24½ | 27½ | 2¾ |
| Dom. Sq. Corp. | 6 | '43 | 55 | ... | 54½ |
| †Dominion Tar | 6 | '49 | 102 | 104 | 102 |
| †Donnacona P. | 5½ | '48 | 50½ | 53½ | 45 |
| †East. Dairies | 6 | '49 | 85 | 88 | 86½ |
| †Fam. Players | 6 | '48 | 102½ | 104½ | 103 |
| †Do. | 6½ | '48 | 98½ | 101½ | 97½ |
| †Federal Grain | 6 | '49 | 99½ | 101½ | 98½ |
| Fraser Cos.● | 6 | '50 | 80½ | 83½ | 78½ |
| Do.▲ | 6 | '50 | 75½ | 78½ | 72½ |
| †G. Steel Wares. | 6 | '52 | 100 | 103 | 98½ |
| Gt. Lakes Pap. | 6 | '50 | 38½ | 41½ | 37½ |
| †Gypsum, Lime. | 5½ | '48 | 91 | 94 | 90 |
| Ham. Cottons. | 5½ | '48 | ... | ... | 101 |
| *Ham. By-Prod. | 5 | '50 | 97½ | 99½ | 97½ |
| *Hinde & Dauch | 5½ | '48 | 102 | 105 | 102 |
| †I. P. & P. Nfld. | 5 | '68 | 102 | 105 | 101½ |
| Int. City Bak. | 5½ | '48 | 101½ | 104½ | 101½ |
| Inter-City West. Bakeries | 6½ | '50 | 27 | 30 | 27 |
| Kingston Elev. | 6 | '50 | 91 | 94 | 91 |
| Lake St. John P. & Pa. | 6½ | '47 | 89 | ... | 82 |
| †Lon. Can. Inv. | 4½ | '48 | 85½ | 88½ | 86 |
| †Massey-Harris | 5 | '47 | 87½ | 90½ | 87½ |
| McColl-Front. | 6 | '49 | 104½ | 106½ | 104½ |
| †Mercury Mills | 5½ | '53 | 36 | 40 | 34½ |
| M. & O. Paper. | 6 | '45 | 28 | 30½ | 23½ |
| Mtl. Dry Docks | 6 | '48 | 70½ | 74½ | 69 |
| Price Bros., bds. | 6 | '43 | 88 | 91 | 88½ |
| *Prov. Paper | 5½ | '47 | 101½ | 104 | 101½ |
| *Reliance Gr. | 6 | '48 | 102½ | 105½ | 102 |
| ‡Riordon Pulp | 6 | '42 | 104 | ... | 104 |
| †Rolland Paper. | 5½ | '48 | 104 | 106 | 104 |
| †Simpsons Ltd. | 6 | '49 | 103½ | 105½ | 103½ |
| Do. | 5½ | '49 | 100 | 103 | 100 |
| †Smith, How'd. | 5½ | '53 | 104 | 106 | 104½ |
| ‡Steel of Can. | 6 | '40 | 112 | 115 | 111½ |
| United Amuse. | 6 | '42 | 100½ | 103 | 100 |
| United Grain | 5 | '48 | 98½ | 101½ | 97½ |
| Do. | 5½ | '49 | 101½ | 104½ | 101½ |
| ‡Wabasso Cott. | 6 | '47 | 103 | ... | 103 |
| Do. | 7 | '42 | 105 | ... | 106 |
| Western Grain. | 6 | '49 | 80½ | 83½ | 79½ |
| Woods Mfg. | 6 | '43 | 101 | ... | 101 |
| Zimmerknit | 6 | '51 | 98 | 101 | 98 |

‡Payable in Canada or U. K. †Payable in Can., U. S. or U. K. §Payable in U. S. only. *Payable in Can. or U. S. ●Unstamped. ▲Stamped.

## Mining Dividends

| | Rate | Close Dec. 16 | Yield % |
|---|---|---|---|
| Anglo-Huronian | 20c | 4.25 | .. |
| Buff. Ankerite | 20c | 3.72 | 5.4 |
| Bulolo Gold | 2.60 | 35.00 | 7.4 |
| Cariboo | 10c | 1.25 | 8 |
| Coniagas† | 12½c | 2.95 | .. |
| Cons. Smelters | $1.25+$4 | 203.00 | .. |
| Dome Mines | $2+$2 | 42.00 | 9.5* |
| Falconbridge | 30c | 6.60 | 4.5 |
| Hollinger | 65c+25c | 14.00 | 6.4* |
| Howey Gold | 5c | .65 | .. |
| Hudson Bay | $1 | 22.00 | 4.5 |
| Int. Coal & Coke‡ | 1c | .20 | .. |
| Inter. Mining | 60+5c | 13.25 | 4.8* |
| Int. Nickel, c. | $1 | 41.25 | 2.4 |
| Kirk. Lake‡ | 3c | .50 | .. |
| Lake Shore | $2+$2 | 52.37 | 7.6* |
| Macassa | 15c | 3.16 | 4.7 |
| McIntyre | $2 | 40.00 | 5 |
| McKinley Sec. | 5c | .50 | .. |
| McWattersGold† | 5c | 1.61 | .. |
| Nipissing | 25c | 2.75 | .. |
| Noranda | $2 | 43.25 | 4.6 |
| Nor. Canada† | 2c | .27 | .. |
| Premier | 12c+1c | 1.75 | 7.4* |
| Pioneer, B.C. | 80c | 9.65 | 8.3 |
| Reno | 12c+2c | 1.00 | 14* |
| San Antonio | 21c | 3.15 | 6.6 |
| Siscoe | 20c+3c | 2.62 | 8.7* |
| So. Amer. Gold | 30c | 5.00 | 6 |
| Sunshine | 50c | 21.50 | .. |
| Sylvanite | 20c | 2.40 | 8.3 |
| Teck-Hughes | 40c | 4.75 | 8.4 |
| Toburn | 8c | 1.25 | 6.4 |
| Wright-Har. | 40c+20c | 7.70 | 7.8* |
| Ymir Yankee† | 2c | .50 | .. |

‡Interim. †Initial. *Yield includes bonus.

## Listed Bonds

Week Ending Dec. 17, 1935

| | Int. rate | Due | High | Low | Range 1935 High | Range 1935 Low |
|---|---|---|---|---|---|---|
| Mtl. L. H. & P. Debs. | 3 | '39 | 50 | .. | 50½ | 46 |
| McNish | 6 | '48 | 3.50 | .. | 4.00 | 3.25 |
| Unlisted: | | | | | | |
| Cons. Paper | 5½ | '61 | 25 | 24½ | 25 | 13 |

## Metal Prices

New York—Dec. 17—
Copper: Electrolytic spot and future, $9.25.
Silver: 58¾c.

London—Dec. 17—
(Long Ton)—
Copper: Electrolytic spot, £38 10s; future, £39 5s. Standard spot, £34 10s; future, £34 17s 6d.
Tin: Spot, £221 10s; future, £211 7s 6d.
Lead: Spot, £16 15s; future, £16 15s.
Zinc: Spot, £14 17s 6d; future, £15.
Gold: 141s 1½d.
Silver: 24½d.

Canada—Dec. 17—
Gold: $35.12.

## Public Utility Earnings

Southern Canada Power

| | 1935 $ | 1934 $ |
|---|---|---|
| November: | | |
| Gross revenue | 185,838 | 189,983 |
| Oper. expenses | 71,649 | 72,715 |
| Net revenue | 114,189 | 117,268 |
| Two months: | | |
| Gross revenue | 368,665 | 369,041 |
| Oper. expenses | 145,639 | 145,911 |
| Net revenue | 223,026 | 223,130 |

## Bond Redemptions

| Bond Issues: | Rate | Year | Date | Price |
|---|---|---|---|---|
| Int. P. & P. Nfld. | 4½% | 1948 | Jan. 15 | 100 |
| Riordon P. & P. | 6% | 1942 | Dec. 31 | ■105 |
| Acadia Sugar | 6% | 1946 | Jan. 1 | 103 |
| Matapedia Val. L. & Pr. | 6½% | 1944 | Feb. 3 | 102½ |
| Ham. By-Prod. | 7% | 1943 | Feb. 1 | 102 |
| Mt. Royal Tunnel | 5% | 1970 | Apr. 15 | 100 |
| Colon'l Wire Mfg. | 6% | 1945 | Jan. 2 | 105 |
| Can. Rolling Mills | 6% | 193[illegible] | Jan. 2 | *10[illegible] |
| Wood, Alex. & J. | ▲6% | 1944 | Jan. 3 | 103 |
| Eaton Realty | 5% | 1949 | Feb. 1 | 100 |
| Maritime Tel. | 6% | 1941 | Jan. 1 | 110 |
| Nfld. L. & Pr. | 6½% | 1949 | Jan. 1 | 105 |
| Can. Crush. Stone | 6½% | .... | Dec. 20† | ... |
| Asbestos Corp. | 5% | 1942 | Jan. 1 | 105 |
| Twin City | §6% | 1937 | Jan. 15 | ... |
| Lincoln Pulp | 7½% | 1943 | Feb. 1 | 103 |

For sinking fund: ■$74,000. ▲$12,000. *Together with interest at 7 per cent per annum from date of last coupon. †$15,300. §Secured dividend notes and fractional scrip certificates.

| Stock Issues: | Rate | Stock | Date | Price |
|---|---|---|---|---|
| Can. Dredge & D. | 7% | Pref. | Jan. 31 | 107½ |
| Can. Packers | 7% | Pref. | Jan. 1 | 110 |

## Unlisted Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

December 17, 1935

| | Bid | Asked |
|---|---|---|
| **Industrial Stocks:** | | |
| Acadia Sugar, com. | 3.50 | 4.00 |
| Do., pfd. | 4.85 | 5.15 |
| Acme Farmers Dairy pfd. | 35.00 | 40.00 |
| Algoma Consolidated, c. | 32.00 | ... |
| Andian National | 48.50 | 50.00 |
| B. C. Pulp & Paper, com. | 1.25 | 2.50 |
| Burns & Co., A | 11.00 | ... |
| Do., B | 7.50 | ... |
| Canada Paper, pfd. | 93.00 | ... |
| Canada Starch, com. | 16.00 | ... |
| Do., pfd. | 86.00 | ... |
| Canada Tea, pfd. | 32.00 | ... |
| Can. Tube, 1st pfd. | 40.00 | ... |
| Can. Industries A, com. | 222.00 | ... |
| Do., B, com. | 221.00 | 227.00 |
| Do., pfd. | 163.00 | 167.00 |
| Can. Paperboard, pfd. bonus | 4.25 | 6.00 |
| Can. Westinghouse | 67.00 | 69.00 |
| Chase, A. W., pfd. | 24.50 | ... |
| Dom. F. & Stl., c. (New) | 30.00 | ... |
| Do., pfd. (New) | 90.50 | ... |
| Dunlop Tire, 7% pfd. | 58.00 | ... |
| Edmonton C. Dairy, pfd. | 56.00 | ... |
| Federal Grain, com. | 2.00 | ... |
| Do., 6½% pfd. | 47.50 | 50.00 |
| Goderich Elev. & Transit | 5.75 | 6.50 |
| Greening Wire, pfd. | 101.00 | 103.00 |
| Guelph Carpet, pfd. | 101.50 | ... |
| Do., com. | 16.00 | 18.00 |
| Highland Dairy, com. | 2.75 | 3.25 |
| Highland Dairy, pfd. | 71.00 | 80.00 |
| Mercury Mills, pfd. | 5.00 | 6.25 |
| Morrow Screw, pfd. | 95.00 | ... |
| New Meth. Laund. p. bonus | 73.00 | ... |
| Provincial Paper, pfd. | 98.50 | 100.00 |
| Reliance Grain, com. | 5.50 | 6.50 |
| Do., pfd. | 84.50 | 86.00 |
| Robin. Consol. Cone | 9.50 | 10.50 |
| Ruddy, E. L., pfd. | 30.50 | ... |
| Silverwood's Dairies, pfd. | 40.00 | ... |
| Std. Fuel, pfd. bonus | 103.00 | ... |
| Supertest Pet., B, pfd. | 27.75 | 29.50 |
| Toronto Carpet, pfd. | 29.00 | 37.00 |
| United Steel, A, pfd. | 4.85 | 5.50 |
| Western Grain pfd. bonus | 15.50 | ... |
| Willards Chocolates, pfd. | 9.00 | ... |
| **Trust & Loan Stocks:** | | |
| Chartered Trust | 75.00 | 80.00 |
| London & Western | 35.00 | 37.50 |
| Premier Trust | 88.00 | ... |
| Sterling Trust | 30.00 | 35.00 |
| Traders Finance, B, pfd. | 65.00 | ... |
| Trusts & Guarantee | 30.00 | ... |
| Sherbrooke Trust | 110.00 | ... |
| **Insurance Stocks:** | | |
| British America | 36.00 | 38.00 |
| Canada Life | 510.00 | ... |
| Canadian Fire | 76.00 | 78.50 |
| Can. Ins. Shares, com. | 9.50 | 11.00 |
| Confed. Life, 20% pd. | 114.00 | 119.00 |
| Continental Life, 20% pd. | 36.00 | 40.00 |
| Crown Life | 110.00% | ... |
| Dominion Fire | 110.00 | 120.00 |
| Dominion Life, 50% pd. | 281.00 | 300.00 |
| Dom. of Can. Gen. | 79.00 | 82.00 |
| Empire Life, 25% pd. | 6.00 | 7.50 |
| Excelsior Life, 30% pd. | 69.00 | 71.00 |
| Federal Fire, 25% pd. | 34.00 | 37.00 |
| Fidelity Ins. of Can. | 44.00 | 50.00 |
| Great-West Life | 390.00 | 400.00 |
| Guar. of N. A. fully pd. | 245.00 | ... |
| Halifax Fire | 20.50 | 22.00 |
| Imperial Life | 330.00 | ... |
| Manufacturers Life | 248.00 | 255.00 |
| Monarch Life, 10% pd. | 18.00 | 20.00 |
| National Life, 25% pd. | 51.00 | 59.00 |
| Sovereign Life, 25% pd. | 14.00 | 17.00 |
| Sun Life | 445.00 | 460.00 |
| Toronto General | 4.25 | 5.25 |
| Western Assurance, com. | 36.00 | 39.00 |
| Do., pfd. | 39.00 | 41.00 |
| **Theatre Stocks:** | | |
| Allens Beach, pfd. | 60.00 | ... |
| Do., Calgary, com. | 7.50 | 9.00 |
| Do., Kingston, pfd. | 53.00 | ... |
| Do., Parkdale, pfd. | 42.25 | 45.00 |
| Do., Toronto, bonus com. | 28.00 | 31.00 |
| Loew's London, 7% pfd. | 1.90 | 2.10 |
| Mansfield Theatre, pfd. | 28.00 | ... |
| Paramount Kitchener, pfd. | 40.00 | ... |
| Do., Oshawa, pfd. | 60.00 | ... |
| United Amusement, A | 14.00 | ... |
| Do., B | 13.00 | ... |
| **Investment Trust Shares:** | | |
| Can. Gen. Invest. | 7.15 | 7.35 |
| Can. Investors | 7.00 | 8.00 |
| Can. Int. Invest. Tr. Units | 31.00 | ... |
| Cons. Div. Std. Sec. Units. | 11.00 | 12.50 |
| Debenture & Sec., pfd. | 35.00 | ... |
| Dom. Scottish Invest. Units | 25.00 | 27.00 |
| Foreign Power Sec., pfd. | 7.00 | 9.00 |
| Invest. Foundation Units | 44.00 | ... |
| Sec. Holding Units | 14.00 | ... |
| United Corpns., A | 22.75 | 23.50 |
| Do., B | 8.00 | 8.50 |
| **Power Issues:** | | |
| Can. Light & Power, c. | 21.00 | 24.00 |
| Can. Pub. Service, pfd. | 28.50 | ... |
| Can. W. Nat. Gas, pfd. | 89.50 | 91.50 |
| Do., com. | 22.50 | ... |
| N. B. Telephone, com. | 10.60 | 11.50 |
| Nor. Ont. Power, pfd. | 99.50 | 101.00 |
| Nova Scotia, L&P, pfd. | 99.00 | ... |

Recent London Quotations:

| | |
|---|---|
| British Columbia Tele., pfd. | $105 |
| Brewers & Distillers | 5s. 10½d. |
| Canada Company | 7s. 6d. |
| Canadian & Foreign Securities | 4s. |
| Canadian Collieries, $1 c. | 1½d. |
| Do., pref., $10 | 4½d. |
| Canada N. W. Land | 10s. |
| Canadian Western Lumber | 1s. 9d. |
| Third Can. Gen. Inv. | 6s. 6d. |
| Hudson's Bay | 19s. 3d. |
| Do., pref. | 100s. 2d. |

## Winnipeg Stocks

(Transactions from Dec. 9 to Dec. 14)

| | Sales | High for period | Low for period | Close Dec. 14 |
|---|---|---|---|---|
| B. & M. Synd. | 10 | .15 | .15 | .15 |
| Cres. Cream. p. | 24 | 30 | 30 | 30 |
| Canadian Rand | 2,000 | .05 | .05 | .05 |
| Can. Am. Tr. Sh. | 50 | 3.60 | 3.60 | 3.60 |
| Forty-four | 10 | 6 | 5¾ | 6 |
| Flin Flon | 5,450 | .30 | .27 | .28 |
| Gold Lake | 2,550 | .29 | .26 | .28 |
| Federal Grain, p. | 17 | 45 | 45 | 45 |
| Home Investm't. | 15 | 25 | 25 | 25 |
| Island Lake | 7,000 | .02½ | .02 | .02½ |
| Knee Lake | 5,450 | .24 | .19½ | .20 |
| Rel. Grain, pf. | 25 | 86 | 86 | 86 |
| Ore Grande | 1,000 | .07 | .07 | .07 |
| United Grain | 83 | 13 | 12 | 13 |
| Wingold | 1,000 | .04 | .04 | .04 |
| West. Breweries | 580 | 2 | 2 | 2 |
| Wylie Dom. | 5,400 | .25 | .20 | .20 |
| West. Grain, pf. | 6 | 13 | 13 | 13 |

Stocks Not Traded in During Week*

| | Bid | Ask. |
|---|---|---|
| Beaver Fire Ins. | .. | 100 |
| Beaver Lumber c. | .. | 3 |
| Do., pref. | .. | 69 |
| City Dairy, A | .. | 10 |
| Northern Trust | 7 | .. |
| Traders Bldg. | 65 | .. |

*Stocks more active on other exchanges not included.

## Unlisted Mines

December 17, 1935

| | Bid | Asked |
|---|---|---|
| Ascot | .26 | .28 |
| Arntfield Syndicate | .90 | .97 |
| Athona (Gt. B. L.) | .37 | .40 |
| Athabaska Portals | .. | .21 |
| Bailor | .. | .01 |
| Bidgood Kirkland | .18 | .19½ |
| Bankfield Gold | .34 | .36 |
| Bathurst | .00½ | .01½ |
| Bosquet Gold | .03 | .04 |
| Can. Pandora | .03½ | .04½ |
| Casey Summit | .09 | .11 |
| Canusa Mining | .04 | .05 |
| Casey Contact | .02½ | .03½ |
| Central Porcupine | .16 | .18 |
| Cons. Chib. Free | .72 | .75 |
| Cons. Chib. Pool | .68 | .71 |
| Columario Cons. | .00½ | .01½ |
| Dunlop Cons. | .. | .01 |
| El Bonanza | .11 | .09 |
| Forty-four Gold | .. | 6.00 |
| Glenora Gold | .07 | .08 |
| Galatea | .06 | .08 |
| Goldside | .02½ | .03½ |
| Gold Eagle | .23 | .25 |
| Greenlaw | .04 | .05 |
| Hislop Gold Free | .. | .06 |
| Hudson Patricia | .07½ | .08½ |
| Jellicoe | .06 | .07½ |
| Johnson Nipigon | .. | .02 |
| Kirk. Lake Belt | .06 | .08 |
| Knee Lake | .. | .22 |
| Lafayette L. Lac | .03½ | .04 |
| La Palme | .40 | .45 |
| Long Lac Lagoon | .. | .03½ |
| Lamaque Gold | 3.05 | 3.15 |
| Leitch Gold | .30 | .32 |
| MacL. Cockshutt | .03 | .04 |
| Magnet Lake | .02 | .03 |
| Matachewan Can. | .14 | .16 |
| McCarthy Webb | .06 | .07 |
| Mosher | .01½ | .02½ |
| Murmac | .09 | .11 |
| North Shores | .02 | .02½ |
| Oklend | .25 | .27 |
| O'Leary | .07 | .08 |
| Omega | .49 | .51 |
| Opemiska | 1.75 | 1.85 |
| Pamour Porc. | 3.45 | 3.50 |
| Rice Lake | .01½ | .02½ |
| Shawkey | .61 | .63 |
| Sladen | .28 | .30 |
| Slave Lake | .63 | .67 |
| Smelter Gold | .04½ | .05½ |
| Smith Cobalt | .. | .09 |
| Springer | .. | .08 |
| Straw L. Beach | .07 | .09 |
| Sturgeon R. Gold | .58 | .62 |
| Thom.-Cadillac | .03½ | .05 |
| Wells Long Lac | .08 | .10 |
| Wingold | .04 | .05 |
| Wendigo | .14 | .16 |
| Young Davidson | .18 | .20 |

## DIVIDEND NOTICES

### The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1935, making a total distribution of ten per cent for the current year—the Dividend will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 2nd day of January, 1936, to shareholders of record of the 20th December, 1935.

By Order of the Board.
DUDLEY DAWSON,
General Manager
Toronto, 15th November, 1935.

### The Toronto Mortgage Company

QUARTERLY DIVIDEND

NOTICE is hereby given that a dividend of Three per cent., upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 2nd January, 1936, to Shareholders of record on the books of the Company at the close of business on 14th instant.

By Order of the Board,
WALTER GILLESPIE,
Manager.

### A. J. Freiman Limited

DIVIDEND NOTICE

A dividend of one and one-half per cent (1½%) on the 6% cumulative redeemable convertible preferred shares of A. J. Freiman, Limited, being at the rate of 6% per annum, will be paid on the 2nd day of January, 1936, to shareholders of record December 14th, 1935.

By resolution of the Directors.
Dated at Ottawa the 6th day of December, 1935.
S. R. OUELLETTE,
Secretary-Treasurer.

### Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable January 2nd, 1936, to shareholders of record as at close of business December 14th, 1935.

W. S. BARBER,
Secretary-Treasurer.
Toronto, Ont.

### The Whittall Can Company, Limited

DIVIDEND NOTICE

Notice is hereby given that a Dividend of one and five-eighths per cent (1⅝%), being at the rate of six and one-half per cent (6½%) per annum, on the Cumulative (Redeemable) Preferred Stock of the Company, has been declared, payable 2nd January, 1936, to Shareholders of record 16th December, 1935.

By Order of the Board,
D. H. MACFARLANE,
Secretary-Treasurer.
Montreal, December 12, 1935.

### BUILDING BP PRODUCTS LIMITED

EXTRA DIVIDEND NOTICE

NOTICE is hereby given that an extra dividend of twenty-five cents (25 cents) per share has been declared on the outstanding common shares of the company for the quarter ending December 31st, 1935, payable January 2nd, 1936, to shareholders of record December 18th, 1935.

By Order of the Board,
R. C. CROOKER,
Secretary Treasurer.

### BUILDING BP PRODUCTS LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of twenty-five cents (25 cents) per share has been declared on the outstanding common shares of the company for the quarter ending December 31st, 1935, payable January 2nd, 1936, to shareholders of record December 18th, 1935.

By Order of the Board,
R. C. CROOKER,
Secretary Treasurer.

### BRITISH AMERICAN OIL COMPANY B-A LIMITED

NOTICE is hereby given that the regular dividend of Twenty Cents (20c) per share has been declared on the issued No Par Value capital stock of the Company for the fourth quarter ending December 31st, 1935. The above dividend is payable in Canadian funds, January 2nd, 1936, to shareholders of record at the close of business on the 18th day of December, 1935. Transfer books will not be closed.

Share Warrant Holders will present Coupons Serial No. 23 to the Royal Bank of Canada, Toronto, Ontario, or to the Royal Bank of Canada, Montreal, Quebec, on or after January 2nd, 1936.

P. W. BINNS,
Secretary.
Dated at Toronto, December 12th, 1935.

## DIVIDEND NOTICES

### United Securities Limited

Notice is hereby given that a dividend of Fifty (50c) cents per share has been declared on the outstanding common shares of the Company for the quarter ending December 31st, 1935, payable January 15th, 1936, to shareholders of record December 26th, 1935.

By Order of the Board,
JAMES WILSON,
Secretary-Treasurer.
Montreal, December 16, 1935.

### The Canadian Light and Power Company

Notice is hereby given that a dividend of one-half of one per cent (½ of 1%) has been declared on the outstanding shares of the Company for the half year ending December 31st, 1935, payable January 15th, 1936, to shareholders of record December 31st, 1935.

By Order of the Board,
JAMES WILSON,
Secretary.
Montreal, December 16, 1935.

### THE B. GREENING WIRE COMPANY, LIMITED

Preference Dividend No. 39

Notice is hereby given that a quarterly dividend of one and three-quarters per cent on the Preferred Shares of the Company has been declared payable January 1st, 1936, to shareholders of record December 14th, 1935.

F. J. MAW,
Secretary.
Hamilton, Ont., December 12, 1935.

### 78th Quarterly Dividend

Notice is hereby given that a dividend of Thirty-eight Cents per share (being at the rate of One Dollar and Fifty Cents per annum) on the no-par-value Common Shares of the Company presently issued and paid-up for Quarter ending December 31st, 1935, has this day been declared to shareholders of record December 31st, 1935, on the Montreal and London, England, registers.

Dividend cheques will be mailed to registered shareholders January 31st, 1936.

By Order of the Board,
G. R. WHATLEY,
Secretary.
Montreal, December 16th, 1935.

Montreal Light Heat & Power
CONSOLIDATED

*Owned by 60,000 shareholders, Montreal Light Heat & Power comprises the largest group of customer-owners possessed by any public utility company in Canada*

### The Montreal City & District Savings Bank

Dividend Notice

A dividend of three dollars per share, for the current quarter, together with a bonus of one dollar per share, of the paid-up Capital Stock of this Bank, have been declared and the same will be payable on and after the second day of January next, to shareholders of record Saturday, the fourteenth day of December next, at twelve o'clock, noon.

By Order of the Board,
T. TAGGART SMYTH,
General Manager.
Montreal, November 26th, 1935.

### Montreal Tramways Company

Notice is hereby given that a dividend of TWO DOLLARS AND TWENTY-FIVE CENTS ($2.25) per share, for the quarter ending December 31st, 1935, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record on Monday, the 6th day of January, 1936, at 4 o'clock p.m. and payable on Wednesday, the 15th day of January, 1936.

By order of the Board,
PATRICK DUBEE,
Secretary-Treasurer.
Monday, December 16th, 1935.

Christie's

CHRISTIE, BROWN AND COMPANY, LIMITED

In September, 1849, a partnership was formed by James Mathers and Alexander Brown, with William Christie as Assistant and Travelling Salesman. Mr. Mathers retired and William Christie became a partner with Mr. Brown. After Mr. Brown's retirement in 1878, Mr. Christie continued the business under the name of Christie, Brown and Company.

The business was first established on Yonge Street, Toronto; then Francis Street and in 1874, to the present site on King Street East. That building now covering a city block, with a second factory on Sterling Road and a new biscuit plant in Winnipeg, are necessary to serve this company's business.

Advertising of this company appears in—
Maclean's
Canada's National Magazine

# Week In Wheat —

While there has been reaction from recent sensational price advances, world wheat markets continue very active.

Prices lost some ground when it was realized that although Argentine minimum price development indicated a bullish condition it did not necessarily create one.

At Chicago it has been demonstrated that while values are subject to some leadership in other markets they are also subject to purely domestic forces. Liverpool advances had been largely based on fear of shortage of immediate supplies through interruption of Argentine offerings.

When protection had been obtained by large purchases of Canadian wheat available for rush shipment if required, that anxiety was considerably allayed.

***Chicago is Sensitive***

THE relationship between markets at Chicago and Winnipeg is still very close, although there has not been the volume of spreading operations between the two markets that existed when both were on an export basis.

It is rather that Chicago tends to observe closely what is going on in this country. If the spread widens nervousness exists south of the line that imports of Canadian wheat may become unduly large, while advances on this side tend to create confidence that the ceiling of prices in that country may be raised and use of Canadian wheat kept down.

In addition Chicago is not at all sure that after another harvest the United States may not have a wheat surplus to export.

While conditions in some parts of the winter wheat area are not very satisfactory, the opposite is true over a large part of it, and especially in parts of Kansas.

* * *

***Vancouver's Prospects***

VANCOUVER'S hopes for a larger export business in wheat this year have become much brighter.

Heavy bookings both of wheat and freight for forward shipment have been made recently. Vessels are now heading for Vancouver for wheat cargoes at a rate which would have seemed impossible only a short time ago. The elevators there are still full of wheat, and railways have had to embargo grain shipments from Alberta country elevators except to the extent that terminal space could be guaranteed as it became available by shipments.

It takes more than competitive prices for wheat at Vancouver and competitive ocean freight rates to enable that port to do a large business in wheat.

There must be a willingness on the part of buyers to book supplies well in advance. When Canadian wheat is required in a hurry by British millers it can be obtained in a very short time by shipment from Atlantic ports in the holds of passenger liners.

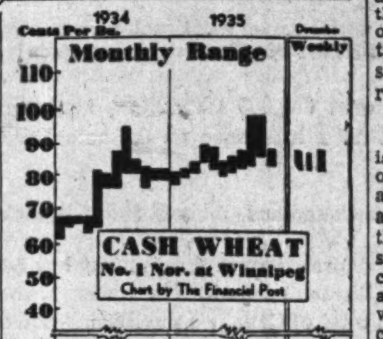
With a small wheat crop in the Argentine freight brokers expect that vessels which otherwise might have been carrying cargoes of Argentine wheat may be looking for business from Vancouver, although the extent of Argentine corn and meat shipments is not forgotten.

* * *

***A Warning Note***

WARNING that world food consumption will decline by two per cent during the next ten years and that English demand for Canadian grain will also decline was given Canadian grain growers by Sir Francis Floud, British High Commissioner to Canada in an address before the Commerce Club at the University of Toronto.

"In recent years," he said, "the proportion of Canadian wheat taken by Great Britain has steadily declined and as the situation now stands much less Canadian wheat will be purchased by England." The




outlook for Canada as an agrarian nation was described by Sir Francis as both "bleak and difficult." Until economists solve the baffling international trade problem the future for Canadian wheat is a very serious problem, he added.

* * *

***Low Grade to Orient***

EARNEST attempts are being made to develop business with the Orient in low grade wheat, but while some bookings have been made, Australia still seems to have the edge in that market, and Australian brokers are booking shipments of new crop wheat to Shanghai.

There is at least a possibility of some substantial business, especially to Japanese mills for re-export. While Japan apparently requires no wheat imports on her own account, considerable milling-in-bond business is done.

## WHEAT EXPORT GAINS IN VALUE; FLOUR MOVING

### November Records Further Increases in Canadian Shipments

Export of Canadian wheat during November to both the United States and the United Kingdom showed substantial increases in volume, and in the value of the shipments.

Total Canadian wheat exports to all countries in the 1935 period of four months were $79.4 millions compared with only $61.0 millions in the corresponding period of 1934.

Of these totals, November exports this year provided $21.7 millions and a year ago, the November total was $14.7 millions.

Wheat flour exports to all countries have also substantially risen during the four months period, standing at 7.1 millions in 1935 against 6.9 millions last year.

Canadian Wheat Exports

| | Nov. 1935 | Nov. 1934 |
|---|---|---|
| | $ | $ |
| To United States | 2,582,802 | 1,522,901 |
| To United Kingdom | 16,588,916 | 10,200,655 |
| To other countries | 2,571,133 | 3,021,382 |
| Total exports | 21,742,851 | 14,744,938 |
| | 4 mos. end. Nov. 1935 | 4 mos. end. Nov. 1934 |
| | $ | $ |
| To United States | 12,540,606 | 5,431,156 |
| To United Kingdom | 59,922,910 | 41,894,458 |
| To other countries | 7,026,898 | 13,706,255 |
| Total exports | 79,490,414 | 61,031,869 |

Total Flour Exports

| | Nov. 1935 | Nov. 1934 |
|---|---|---|
| | $ | $ |
| To all countries | 2,217,926 | 1,982,803 |
| | 4 Mos. End. | 4 Mos. End. |
| | $ | $ |
| To all countries | 7,121,661 | 6,928,022 |

## VALUE OF CROPS RUNNING LOWER THAN YEAR AGO

A seven per cent reduction in the value of Canada's field crops in 1935, in comparison with the previous year, is estimated by the Dominion Bureau of Statistics, in a preliminary report.

Total value is placed at approximately $510 millions compared with almost $549 millions a year ago. The decline is largely attributed to the lower prices for coarse grains and fodder, as production on the whole was increased.

It is, of course, possible that the actual revenue from these coarse grains and fodder, which are largely fed to livestock, may, when translated into meat animals and dairy products, be actually greater than in 1934 when values of livestock and dairy products were materially lower.

The estimated values of field crops in Canada for the past six years have been as follows:

| | |
|---|---|
| 1935 | $510,835,000 |
| 1934 | 549,416,000 |
| 1933 | 543,598,000 |
| 1932 | 452,526,000 |
| 1931 | 435,966,000 |
| 1930 | 662,041,000 |

## DIVIDEND NOTICES

### Imperial Bank of Canada

DIVIDEND No. 182

Notice is hereby given that a Dividend of two and one-half per cent (2½%) has been declared for the quarter ending the 31st January, 1936, payable at the Head Office and Branches on and after Saturday, the First day of February next, to shareholders of record of 31st December, 1935.

By order of the Board.
A. E. PHIPPS,
General Manager.
Toronto, 11th December, 1935.

## NOTICES

### The Canadian Bank of Commerce

The annual meeting of the shareholders of this Bank, for the election of Directors and for other business, will be held at its banking house, No. 25 King Street West, Toronto, on Tuesday, the 14th day of January next.

The chair will be taken at 11.30 o'clock a.m.

By order of the Board,
S. H. LOGAN,
General Manager.
Toronto, 22nd November, 1935.

### The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, 29th January, 1936, at the hour of 2.30 o'clock in the afternoon.

By Order of the Board.
DUDLEY DAWSON,
General Manager.
Toronto, 12th December, 1935.

$5,500.00 WANTED
8% INTEREST
Secured by First Mortgage on $50,000.00
Profitable Going Concern
Object Re-financing
Apply Box 270
The Financial Post
TORONTO

# Argentine Minimum Price Starts Wheat Marts Boiling

### But Full Consequences or Reasons for Action Not Easy to Determine — Believe Now That Crop Smaller

From Our Own Correspondent

WINNIPEG.—Although it was the action of the Argentine Government in setting a high minimum price for new crop wheat which started the excitement in world wheat markets, the full meaning and consequences are not easy to determine. Only one thing is sure, it is official indication of the clearest kind that the Argentine wheat crop is short, probably shorter and of poorer quality than recent estimates would indicate.

**Not Selling Price**

The official government minimum is like the Canadian minimum price of 87½ cents a bushel. It represents a guaranteed price to the farmer, and not the minimum price at which the government may offer wheat for sale. As is the case in Canada, it is contemplated that the government agency is to sell at world prices any wheat it may buy. It is just as clearly contemplated that government wheat transactions may incur a loss. But in Argentina losses on wheat transactions are expected to be made up by government manipulation of exchange between pesos, dollars and sterling.

**How It Works**

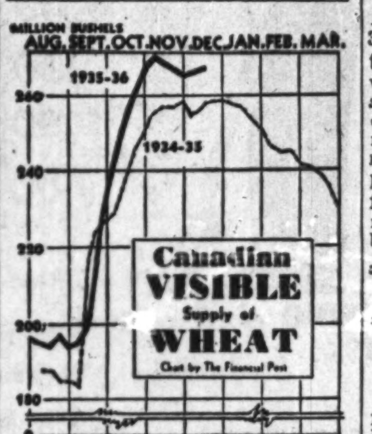
The guaranteed price is to be 10 pesos a quintal. That can be variously translated as 90 cents, 79 cents or 73 cents a bushel, depending on the rate of exchange used. The nominal exchange par of the peso is 42 cents. A wheat exporter who sells Argentine wheat to Great Britain is forced to sell sterling to the government for pesos at a rate which would lately give them a value of 32.7 cents. The government would then sell the sterling to importers at the equivalent of 29 cents to the peso. But pesos have been obtainable in ordinary exchange transactions at 27 cents each. One support of the value of the peso in international exchange has been the large shipments of wheat made in recent years. When those are cut down, as they must inevitably be in coming weeks, the value of the peso may very well fall further. If it goes to 25 cents the equivalent of the price of 10 pesos per quintal would be under 70 cents a bushel.

The wheat price named by the Argentine government is not necessarily an expression of opinion of what wheat is going to be worth on the international market. To a considerable extent it may be an expression of opinion as to what the peso is going to be worth.

**May Sell Early**

Nor is it safe to assume that Argentine wheat exports to Great Britain and the Continent during the next few months will be reduced as much as statistical calculations would imply. A high internal wheat price may mean a smaller consumption than the usual 90 million bushels annually.

While Brazil and other South American countries normally buy 30,000,000 bushels annually of Argentine wheat, there is nothing to prevent Argentina selling most of her surplus across the Atlantic in the early part of the year, leaving her neighbors to buy elsewhere. That might be a reasonable course. Also probable is fairly rapid delivery by farmers of new crop wheat, as their need for cash, with a poor crop, will be more urgent than usual.




Canadian visible grain was up slightly last week, standing at 267,465,000 bushels as compared with 266,489,000 the week previous. The close of navigation finds only some 36 million bushels of wheat in store in elevators at the head of the lakes, due to the great quantities which have been moved to storage in eastern positions. Approximately 90 million bushels are in store in country elevators. The movement from Manitoba and Saskatchewan elevators will proceed fairly slowly during the winter, but rapid movement from Alberta elevators to Vancouver now seems to be in prospect.

## Wheat Prices

(Cash Quotations)

| | Aver. for wk. Dec. 7 | Previous week |
|---|---|---|
| At Winnipeg | $ | $ |
| No. 1 Man. Hard | 0.853 | 0.880 |
| No. 1 Northern | 0.844 | 0.868 |
| No. 2 Northern | 0.814 | 0.842 |
| No. 3 Northern | 0.765 | 0.790 |
| No. 4 Northern | 0.718 | 0.746 |
| No. 5 Wheat | 0.615 | 0.645 |
| No. 6 Wheat | 0.586 | 0.618 |
| Feed Wheat | 0.450 | 0.481 |
| At Vancouver: | | |
| No. 1 Northern | 0.849 | 0.865 |
| At Toronto: | | |
| Milling Wheat | 0.74 | 0.75 |

Competitive Export Prices: (December) shipment:

| | High Week to Dec. 13 | Low Week to Dec. 13 |
|---|---|---|
| | $ | $ |
| No. 1 North. (Vanc.) | 1.03⅛ | 1.01⅛ |
| No. 2 North. (Atlan.) | 1.00⅛ | 0.98⅞ |
| No. 2 North. (Vanc.) | 1.00⅜ | 0.97⅞ |
| Argentine Rosafe* | 0.87½ | 0.84 |
| Do., Barusso* | 0.84¾ | 0.81¾ |
| West Australian (Dec.) | 0.90⅞ | 0.87⅛ |
| Russian | 0.91 | 0.90⅝ |

*New crop, shipment Jan.-Feb.

## Winnipeg Grain Prices

Week to Dec. 17, 1935

| Crop year from Aug. 1, 1935 High | Low | | Open Dec. 11 | High for week | Low for week | Close Dec. 17 |
|---|---|---|---|---|---|---|
| | | **Wheat** | | | | |
| .98¼ | .82 | Dec. | .83⅝ | .87⅝ | .83 | .85⅛ |
| 1.02¼ | .85¾ | May | .87¼ | .90¾ | .86¾ | .88⅝ |
| .92⅞ | .86½ | July | .87⅞ | .91⅛ | .87⅛ | .88⅞ |
| | | **Oats** | | | | |
| .33½ | .27⅛ | Dec. | .28⅝ | .30⅝ | .28⅛ | .29 |
| .35⅝ | .29⅝ | May | .30¾ | .33 | .30⅝ | .31⅝ |
| .33⅝ | .30 | July | .31¼ | .33⅝ | .30¾ | .31¾ |
| | | **Barley** | | | | |
| .39½ | .31¼ | Dec. | .32⅜ | .35¾ | .32⅝ | .34⅛ |
| .42½ | .34⅝ | May | .35¾ | .39⅛ | .35¾ | .37⅝ |
| .39⅞ | .35⅝ | July | .36¾ | .39⅞ | .36⅝ | .38⅛ |
| | | **Flax** | | | | |
| 1.49¾ | 1.19¾ | Dec. | 1.39½ | 1.49¾ | 1.39½ | 1.48¼ |
| 1.54 | 1.33 | May | 1.42½ | 1.50¾ | 1.42½ | 1.48⅜ |
| 1.51½ | 1.40¼ | July | 1.43¾ | 1.51½ | 1.43¾ | 1.48¼ |
| | | **Rye** | | | | |
| .49½ | .37⅞ | Dec. | .41⅛ | .43⅝ | .40⅛ | .41⅝ |
| .51⅛ | .41¼ | May | .44⅜ | .46⅝ | .43⅜ | .44¾ |
| .47⅝ | .43⅛ | July | .45⅜ | .47⅝ | .44½ | .45½ |

# Dividends Declared

| | This payment | Date payable | Date of record |
|---|---|---|---|
| Agnew-Surpass pf. | $1.75 | Jan. 2 | Dec. 16 |
| Assoc. Brew. | 25c | Dec. 31 | Dec. 15 |
| Do., pref. | $1.75 | Jan. 1 | Dec. 15 |
| Amer. Cyanamid A | 15c | Dec. 31 | Dec. 14 |
| Do., B | 15c | Dec. 31 | Dec. 14 |
| Brant. Cord. pf. | 50c | Jan. 15 | Dec. 20 |
| Br. Amer. Oil | 20c | Jan. 2 | Dec. 18 |
| B. C. Elec. Pr. pf. | $1.50 | Jan. 2 | Dec. 20 |
| Brit. Mtg. & Tr. | $4 | Jan. 2 | Dec. 18 |
| Bldg. Prod. A & B | 25c | Jan. 2 | Dec. 18 |
| Do. extra | 25c | Jan. 2 | Dec. 18 |
| Burt, F. N. | 50c | Jan. 2 | Dec. 17 |
| Do., pref. | $1.75 | Jan. 2 | Dec. 17 |
| Beaver Fire | 3% | Jan. 2 | Dec. 15 |
| Bk. of Canada | 1.12½c | Jan. 2 | Nov. 30 |
| Belding-Cort. | $1 | Jan. 2 | Dec. 14 |
| Do., pref. | $1.75 | Jan. 2 | Dec. 14 |
| Bell Telephone | $1.50 | Jan. 15 | Dec. 23 |
| Brazilian Tr., pf. | $1.50 | Jan. 2 | Dec. 14 |
| B. C. Power, A | 37c | Jan. 15 | Dec. 31 |
| Bruck S. Mills | 30c | Jan. 15 | Dec. 16 |
| Bk. of N. Scotia | $3 | Jan. 2 | Dec. 16 |
| Caribou Quartz | 2½c | Jan. 1 | Dec. 21 |
| Canada Bud, c. | 20c | Dec. 20 | Dec. 2 |
| Can. Cottons | $1 | Jan. 2 | Dec. 13 |
| Do., pref. | $1.50 | Jan. 2 | Dec. 13 |
| Can. Gen. Elec., c. | 75c | Jan. 1 | Dec. 14 |
| Can. Perm. Mtge. | $2 | Jan. 2 | Dec. 14 |
| Confederation Life | $1 | Dec. 31 | Dec. 25 |
| Consumers Gas | $2.50 | Jan. 2 | Dec. 14 |
| Can. North. Pr. | 30c | Jan. 25 | Dec. 31 |
| Do., pref. | $1.75 | Jan. 15 | Dec. 31 |
| Can. Packers | 75c | Jan. 1 | Dec. 16 |
| Do., pref. | $1.75 | Jan. 1 | Dec. 31 |
| Can. Canners, 1st p. | $1.50 | Jan. 2 | Dec. 14 |
| Can. Celanese, pf. | $1.75 | Dec. 31 | Dec. 17 |
| Can. For. Inv. | 40c | Jan. 1 | Dec. 15 |
| Do., pref. | $2 | Jan. 1 | Dec. 15 |
| Can. Wire Box, A | •25c | Jan. 2 | Dec. 16 |
| Celan. of Amer., pf. | $1.75 | Jan. 1 | Dec. 17 |
| Do., part. pf. | $3.50 | Dec. 31 | Dec. 17 |
| Central Can. Loan | $2 | Jan. 2 | Dec. 20 |
| Coniagas Mines‡ | 12½c | Jan. 10 | Dec. 31 |
| Cons. Bakeries | 20c | Jan. 2 | Dec. 17 |
| Do., extra | 10c | Jan. 2 | Dec. 17 |
| Cons. Smelters | $1.25 | Dec. 31 | Dec. 16 |
| Do., bonus | $4 | Dec. 31 | Dec. 16 |
| Can. Westinghouse | 50c | Jan. 1 | Dec. 20 |
| Can. Bread, 1st pf. | $1 | Jan. 2 | Dec. 14 |
| Can. Indus. A & B | $1 | Jan. 31 | Dec. 31 |
| Do., pref. | $1.75 | Jan. 15 | Dec. 31 |
| Crown Trust | $1.75 | Jan. 2 | Dec. 31 |
| Can. South. Ry. | $1.50 | Feb. 1 | Dec. 27 |
| Canada Trust | $5 | Jan. 2 | Dec. 14 |
| Can. Light & Pr. | 50c | Jan. 15 | Dec. 31 |
| Can. Fairbanks, pf. | $1.50 | Jan. 15 | Dec. 31 |
| Dom. Glass | $1.25 | Jan. 2 | Dec. 16 |
| Do., pref. | $1.75 | Jan. 2 | Dec. 16 |
| Dom. Textile | $1.25 | Jan. 2 | Dec. 16 |
| Do., pref. | $1.75 | Jan. 15 | Dec. 31 |
| Dome Mines | 50c | Jan. 20 | Dec. 31 |
| Do. | 50c | Apr. 20 | Mar. 31 |
| Dominion Bank | $2.50 | Jan. 2 | Dec. 20 |
| East. Steel, pf. | $1.75 | Jan. 1 | Dec. 16 |
| Edm. C. Dairy, pf. | $1.62½ | Jan. 2 | Dec. 16 |
| Freiman, pref. | $1.50 | Jan. 2 | Dec. 14 |
| Falconbridge N. | 7½c | Dec. 21 | Dec. 5 |
| Fanny Farmer | 12½c | Dec. 31 | Dec. 16 |
| Goodyear Tire, c. | 63c | Jan. 2 | Dec. 14 |
| Do., pref. | 62½c | Jan. 2 | Dec. 14 |
| Gachin Gold | 25c | Dec. 31 | Dec. 15 |
| Goderich Elev. | 25c | Jan. 2 | Dec. 14 |
| Gt. Lakes Pwr., pf. | $1.75 | Jan. 15 | ........ |
| Do., arrears | $4.58⅓ | Dec. 30 | ........ |
| Gt.-West Life | $5 | Jan. 2 | Dec. 20 |
| Greening Wire, pf. | $1.75 | Jan. 1 | Dec. 14 |
| Grey & Bruce Tr. | 2% | Dec. 31 | Dec. 20 |
| Guelph & Ont. Inv. | $1.50 | Jan. 2 | ........ |
| Guelph Trust | $1.25 | Jan. 2 | ........ |
| Gurd, Chas., pf. | $1.75 | Feb. 15 | Feb. 1 |
| Ham. Un. Theat., p. | $1 | Dec. 31 | Nov. 30 |
| Hinde & Dauch | 12½c | Dec. 21 | Dec. 14 |
| Hollinger Gold | 5c | Dec. 31 | Dec. 13 |
| Huron & Erie Mtge. | $1.50 | Jan. 2 | Dec. 14 |
| Ham. Cotton, pf. | 50c | Jan. 1 | Dec. 16 |
| Howe Sound | 75c | Dec. 31 | Dec. 23 |
| Do., extra | 75c | Dec. 31 | Dec. 23 |
| Imperial Bank | $2.50 | Feb. 1 | Dec. 31 |
| Industrial Mtg. | $1.25 | Jan. 2 | Dec. 16 |
| Intercol. Coal | $2.50 | Jan. 2 | Dec. 20 |
| Do., bonus | $2 | Jan. 2 | Dec. 20 |
| Do., pref. | $4 | Jan. 2 | Dec. 20 |
| Imp. Tobacco, ord. | 8½c | Dec. 31 | Dec. 13 |
| Int. Nickel, pf. | $1.75 | Feb. 1 | Jan. 2 |
| Inter. Nickel c. | 25c | Dec. 31 | Dec. 2 |
| Inter. Mining | 15c | Dec. 20 | Nov. 29 |
| Do., extra | 5c | Dec. 20 | Nov. 29 |
| Invest. Found. pf. | 38c | Jan. 15 | Dec. 31 |
| Do., on arrears | 12c | Jan. 15 | Dec. 31 |
| Int.-State Rlty. A | 28c | Jan. 1 | Dec. 15 |
| Land. Bkg. & L. | $1.25 | Jan. 2 | Dec. 14 |
| London Life | $2 | Dec. 31 | Dec. 26 |
| Little L. Lac Gold | 10c | Jan. 20 | Dec. 19 |
| McColl-Fron. pf. | $1.50 | Jan. 15 | Dec. 31 |
| Marcus Loew's, pf. | *$1.75 | Dec. 21 | Dec. 10 |
| Mitchell, J. S., pfd. | $1.75 | Jan. 2 | Dec. 16 |
| Mtl. C. & D. Bk. | $3 | Jan. 2 | Dec. 14 |
| Do., bonus | $1 | Jan. 2 | Dec. 14 |
| McLennan, McFeeley c. A | 10c | Dec. 30 | Dec. 23 |
| Do., c. B | 10c | Dec. 30 | Dec. 23 |
| Monarch Knit pf. | $1.75 | Jan. 2 | Dec. 14 |
| Moore Corp. | ‡50c | Jan. 2 | Dec. 14 |
| Do., pref. A & B | $1.75 | Jan. 2 | Dec. 14 |
| Mtl. L. H. & Pr. | 38c | Jan. 31 | Dec. 31 |
| Nanaimo-D. Util. pf. | 81½c | Dec 2 | Nov. 15 |
| Niagara Wire | $1 | Dec. 31 | Dec. 19 |
| Do., pref. | 75c | Dec. 31 | Dec. 19 |
| Nipissing Mines | 25c | Jan. 20 | Dec. 31 |
| Nat. Breweries | 40c | Jan. 2 | Dec. 16 |
| Do., pref. | 43c | Jan. 2 | Dec. 16 |
| Nat. Grocers, pfd. | $1.75 | Jan. 1 | Dec. 21 |
| North Star Oil, pf. | 17½c | Dec. 20 | Dec. 6 |
| Nat. Biscuit | 40c | Jan. 15 | Dec. 13 |
| National Trust | $2 | Jan. 2 | Dec. 21 |
| Noranda Mines‡ | $1 | Dec. 28 | Dec. 14 |
| Ottawa L. H. | $1.50 | Jan. 2 | Dec. 14 |
| Do., pref. | $1.62½ | Jan. 2 | Dec. 14 |
| Ottawa Traction | 50c | Jan. 2 | Dec. 14 |
| Ont. Loan & Deb. | $1.50 | Jan. 2 | Dec. 16 |
| Paton Mfg., pfd. | $1.75 | Dec. 15 | Nov. 30 |
| Page Hersey Tubes | 75c | Jan. 2 | Dec. 14 |
| Pioneer Gold | 20c | Jan. 2 | Dec. 2 |
| Pressed Metals | 25c | Jan. 2 | Dec. 16 |
| Perfect Circle | 50c | Jan. 1 | Dec. 17 |
| Premier Gold | 3c | Jan. 15 | Dec. 16 |
| Do., extra | 1c | Jan. 15 | Dec. 16 |
| Porto Rico Pr., pf. | $1.75 | Jan. 2 | Dec. 14 |
| Real Est. Loan | $1 | Jan. 2 | Dec. 17 |
| Riverside S. Mills | 25c | Jan. 2 | Dec. 14 |
| Do., on arrears | 25c | Jan. 2 | Dec. 14 |
| Reno Gold | 3c | Jan. 2 | Dec. 10 |
| Rob. Cons. Cone | 25c | Jan. 2 | Dec. 14 |
| Security Loan | $3 | Jan. 2 | Dec. 16 |
| Std. Fuel, pfd. | $1.62½ | Jan. 1 | Dec. 16 |
| Secur. Hold. pf.‡ | 50c | Jan. 2 | Dec. 17 |
| Std. Silver & Lead | 1c. | Dec. 20 | Dec. 1 |
| Sylvanite Gold | 5c | Dec. 31 | Nov. 23 |
| South. Can. Pr. pf. | $1.50 | Jan. 15 | Dec. 20 |
| Supertest Pete. c. & ord. | 50c | Jan. 2 | Dec. 13 |
| Do., A pref. | $3.50 | Jan. 2 | Dec. 13 |
| Do., B pref. | 75c | Jan. 2 | Dec. 13 |
| San Antonio | 7c | Dec. 20 | Dec. 5 |
| Sher.-Williams pf. | ¤$1.75 | Jan. 2 | Dec. 15 |
| Sunshine Mines | 50c | Dec. 30 | |
| Tamblyn, pref. | $1.75 | Jan. 2 | Dec. 21 |
| Thayers, 1st pfd. | $1.75 | Jan. 2 | Dec. 16 |
| Tip Top Tailors, pf. | $1.75 | Jan. 2 | Dec. 14 |
| Teck Hughes | 10c | Jan. 2 | Dec. 10 |
| Tor. Elevators, pf. | $1.75 | Jan. 15 | Jan. 2 |
| Tor. Gen. Trusts | $1 | Jan. 2 | Dec. 16 |
| Tor. Mortgage | $1.50 | Jan. 2 | Dec. 14 |
| Tuckett Tob., pfd. | $1.75 | Jan. 15 | Dec. 31 |
| Un. Gold Equit. | 2½% | Jan. 15 | Jan. 3 |
| Unit. Securities | 50c | Jan. 15 | Dec. 26 |
| W. Koot. Pr., pfd. | $1.75 | Dec. 31 | Dec. 17 |
| Weston, c. | 15c | Jan. 1 | Dec. 20 |
| Whittall Can, pfd. | $1.62½ | Jan. 2 | Dec. 16 |
| West. Grocers | 50c | Jan. 15 | Dec. 20 |
| Do., pref. | $1.75 | Jan. 15 | Dec. 20 |
| W.-Hargreaves | 10c | Jan. 2 | Dec. 10 |
| Do., extra | 5c | Jan. 2 | Dec. 10 |
| Ymir Yankee† | 2c | Feb. 1 | Jan. 10 |

‡Interim.
¤For quarter ended Feb. 28, 1934.
•On arrears.
*For quarter ended Sept. 30, 1929.
†Initial.

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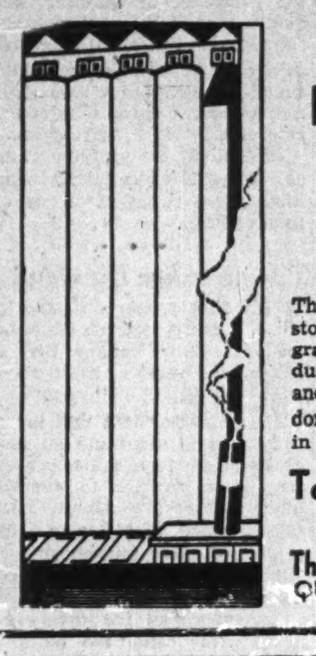

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# Week In Mining

### *Conference Achievements*

* * * *

### *Market Unappreciative*

The mining market apparently is not getting violently excited about the achievements of the committee on mining development and taxation at the recent Dominion-Provincial conference.

Its reaction to the news from Ottawa has all the enthusiasm of a man, condemned to be hanged, who is told that through the generosity of the crown, the medium of his demise has been changed to the electric chair.

The comparison, of course, is only skin deep, as the background of the market is anything but that of a condemned man.

While generally lower prices greeted the news from Ottawa, liquidation has been comparatively slight. Profit taking is apparently only a minor factor in the present reacting market. Despite generally lower prices, after three or four weeks of climbing stocks, the present mining market appears to be a solid one.

#### *Taxation Progress*

EVEN if the market is cold to news from Ottawa, genuine progress appears to have been made toward an amelioration of the tax situation.

Unofficial reports from the capital appearing in the daily press, state that the government has definitely undertaken to increase, from 33 1/3 per cent, to 50 per cent, the depletion allowance to gold mines in computing the income tax to be paid on corporation profits. These reports are said to emanate from "high sources," but there is certainly nothing official to confirm them.

Information reaching The Financial Post from Ottawa indicates that the government still has the matter under consideration. Indeed it does not seem probable that the government would have had time, as yet, to come to a decision on this matter since the conference adjourned. Precedent would indicate in any event that an official announcement will not be made until the budget is brought down.

* * *

#### *Depletion Allowances*

NEVERTHELESS the fact that the federal authorities have undertaken to consider increasing the depletion allowance is matter for satisfaction.

The depletion allowance to mines, granted in estimating income tax on the profits of corporations, is recognition of the fact that mines are wasting assets. At the present time, the mine is taxed 13½ per cent on 66 2/3 per cent of the net operating profits. If the depletion allowance should be increased to 50 per cent, where it stood prior to the 1934 budget, the mine would be taxed 13½ per cent on only 50 per cent of the net operating profit.

* * *

#### *Stable Policy*

IN THE absence of definite agreement on this important point, the most satisfactory, concrete result of the conference was the enunciation of the principal that a stable policy regarding taxation should be adopted by the various governments.

When capital does not know from year to year what taxes it will have to pay in a certain industry, it is not surprising that it should be reluctant to invest. The record of the past few years has shown how unstable the taxation policies of Canada's governing bodies can be. While, of course, no government can bind its successor in this regard, it could assure the mining industry that the taxation schedule will not be changed while it is in office.

* * *

#### *Other Achievements*

ANOTHER concrete achievement of the committee was its general promise that wherever possible, import duties on mining machinery and equipment would be reduced.

The committee also gave support to a resolution that a special conference be held to draw up a new Companies Act, embodying uniformity of laws among the provinces.

Finally, hope for further progress was given by the resolution that a committee composed of representatives selected by the Dominion, and the provinces of Quebec, Ontario, Manitoba, and British Columbia, be formed, to study (a) increase of depletion allowances, (b) uniform taxation among provinces and Dominion, and (c) possibility of a fixed rate of taxation for five years.

Altogether, the conference, as far as mining is concerned, appears to have more successes to its credit than failures.

* * *

#### *Ymir Yankee Dividend*

THE first property in the Ymir, B.C., camp, to reach the dividend stage is Ymir Yankee Girl Gold Mines. The property has been operated intermittently since 1911.

The announcement that the company was to distribute an interim dividend of two cents per share, came as a surprise to everybody. Since there are about 2,225,000 shares issued, of a total authorized capital of three million shares, no par value, the payment will represent a disbursement of some $44,500.

Accompanying the dividend announcement came the news from officials that development had opened up over seven years supply for the 100-ton mill. It is expected that at the next annual meeting of shareholders, a regular dividend schedule will be drawn up.

This announcement, plus the recent initial dividends of Cariboo Gold Quartz and others, should go a long way toward breaking down the slight but ill-founded prejudice which, according to westerners, the east has against British Columbia promotions.

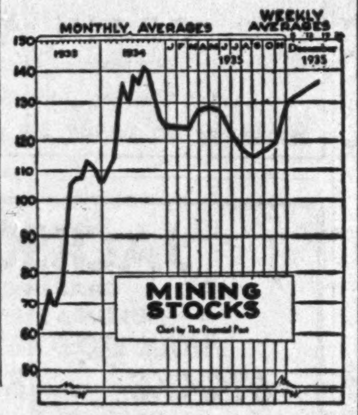
* * *

#### *Index to Mining Stocks*

PRICES advanced on a heavy market turnover causing the general index for mining stocks to register another substantial gain. The index was 136.7 for the week of December 12 as compared with 131.5 for the week of December 5. For the corresponding week of last year the index was 123.9.

The gold group was higher at 118.2 for the week ending December 12 as compared with 115.3 for the week ending December 5. The index for the same week of 1934 was 123.4.

Showing a gain of 14.3 points the base metals group soared from 197.4 for December 5 to 211.7 for December 12. The corresponding index for 1934 was 129.4.




## UNIQUE PRODUCT REPORTED FOUND IN TURNER FIELD

### Small Flow of Almost Pure Gasoline From Ranchmen's

**From Our Own Correspondent**

CALGARY. — Announcement by the Globe Development Co., of Calgary, that it had moved heavy duty equipment to a location near the Ranchmen's well on the Aldersyde structure with a view to spudding as soon as possible has aroused much interest in oil circles.

The Ranchmen's well was drilled to a depth well below 6,000 ft. and finally struck a product believed unique in Alberta.

It is said to be almost pure gasoline ranging in color from white to green. Company officials claim they use it in their cars with excellent results.

Ranchmen's has not yet struck this oil in large quantity. Drilling is still proceeding in very hard formation in the hope of bringing in a large commercial producer.

Model No. 3, drilled by Model Oils, in the north end of Turner Valley was a decided disappointment despite its proximity to the prolific Royalite No. 26 well and the Model No. 1 well, the largest crude producer in Canada.

It is said Model No. 3 will only produce from 10 to 50 bbls. a day.

British Dominion in the south end of the field is producing naphtha from the limestone which gives indications of the presence of crude oil. Some production is being taken while drilling proceeds. An unofficial estimate of the yield is 200 bbls. daily. Union Freehold has resumed drilling in the limestone formation. The only active well in Turner Valley south of Union Field is Highwood No. 2, being drilled in upper horizons.

## GAINS-MOOR FINANCING COSTS ONLY 16.7 P.C.

### Company Issues Balance Sheet After Five Months

The Financial Post is in receipt of a comprehensive statement regarding affairs of the newly formed Gains-Moor Gold Mines Syndicate Ltd., which holds 150 claims in the Mud Lake area and 15 centrally located claims in the Rose Lake, or Wedding River district of Quebec.

Although only incorporated in June of this year, the company has supplied The Post with an audited financial statement, including a balance sheet as at Nov. 16, 1935. On Nov. 22, shareholders ratified a by-law authorizing a change in the capital structure of the company, whereby the former 12,000 shares of $10 par value will be changed to 100,000 shares of no par value, of which 64,000 shares remain in the treasury.

This change in capital structure is not, of course, reflected in the financial statement.

**Low Financing Cost**

A noteworthy feature of the statement is the fact that the total cost of financing to date was only 16.7 per cent of the money received from the sale of stock. The total cost of administration, not including the general manager's deferred salary, was $1,108. Expenditure on property development was two-thirds of the gross recipts.

In the balance sheet as at Nov. 19, current assets are shown at $3,486, with current liabilities of $5,229. In addition to current assets are two accounts, for drilling and for the Martin claims, deposited in the bank, totalling $2,600.

The company's main objective is to acquire geologically favorable properties, to explore these properties thoroughly, and to partially develop them. If initial development warrants, the company will transfer each property to a larger operating company for developing, taking stock in the subsidiary in return.

# Canada's Staunchest Employer

## *Mining Industry Keeps 300,000 Off Relief Lists of Dominion*

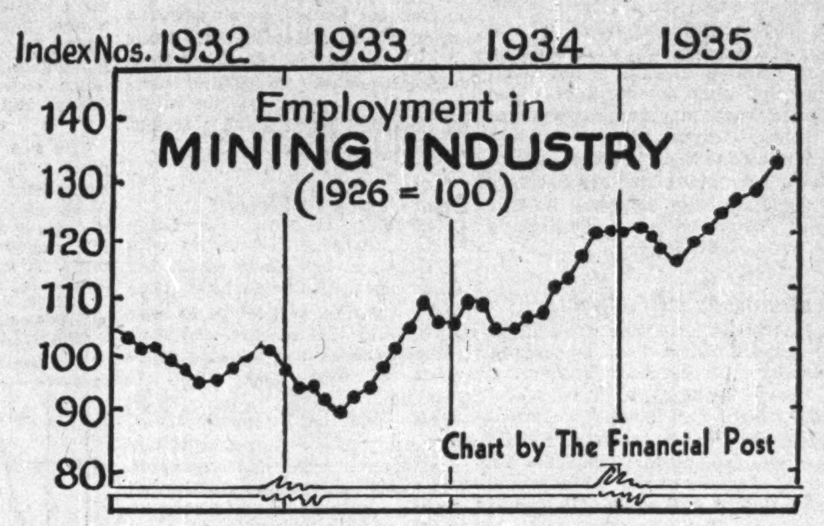
While, during recent years of economic stress, payrolls in other industries were being drastically curtailed, the Canadian mining industry provided more work than ever before.

Today, with recovery noticeable in employment figures of other industries, mining still shows the largest percentage increase of employment.

Today over 300,000 Canadians, men, women and children, are directly dependent for a livelihood on the actual work of getting minerals from the ground.

To these Canadians go about $95 millions every year in salaries and wages.

During depression years, this army has been kept from relief rolls. Instead being a burden on the public treasury, they have been adding measurably to the sum total of Canada's purchasing power.




#### *These facts deserve recognition*

These 300,000 people must eat.

They must buy clothes.

They must, and do, buy cars, radios, newspapers, and other commodities made necessary by modern standards of living.

Accordingly one does not have to own a share in a mining company to share in Canada's mineral wealth.

Farmers, railroad men, factory workers, bakers, grocers, aviators, lumbermen, — all the diversified fields of effort have felt, and are feeling today, the steadying influence of Canada's mining industry, regardless of whether they own stock or not.

Even this is not the whole story.

In 1934, some 32 of Canada's leading metal producers spent over $51 millions in equipment. To this figure should be added many millions more, spent by exploration companies, and small prospecting groups.

Apart from dividends, apart from the value of metals produced, the Canadian mining industry is therefore injecting into the life stream of Canada's industrial and economic life, fresh stimulus in the form of released purchasing power, and to the extent of some hundreds of millions of dollars every year.

## McMILLAN HOPES ARE STILL PINNED TO DEEP LEVELS

### Grade Shows Slight Improvement on Main Vein

**From Our Own Correspondent**

SUDBURY.—While initial results from lateral operations at the 750- and 875-ft. levels of McMillan Gold Mines in the West River area were not encouraging, drifting on the main vein recently has shown ore of an improved grade. Stress is laid, however, by Geo. M. Miller, of Sudbury, president of the company, in an official statement to the correspondent, that a month's work will be required to give a proper picture of the ore chances at the two levels, where driving is proceeding simultaneously.

Mr. Miller pointed out that it was estimated at the beginning of the year that there were 31,900 tons of probable and possible ore in place having a grade of around 0.30 ounce per ton or better, and 24,000 tons of ore having a grade of 0.15 to 0.25 ounce per ton, and about 4,000 tons in the dump of 0.10 ounce.

It was found, upon mining, that the bulk of the 24,000 tons above referred to was too marginal to mine profitably. Meantime the company has nearly exhausted the mine's broken and unbroken ore reserves above the 625-ft. level and for the past month or two most of the mill-feed has been derived from low-grade dump material.

Since milling started 15 months ago the mine has shipped 39 gold bricks having a total value of approximately $317,000.

The company's officials have hoped that the lower horizons would yield sufficient ore to take care of milling requirements, and for several months past exploration work has been conducted with this objective in view. A winze was commenced in August and was recently completed with stations at the 750- and 875-ft. horizons. To date around 103 ft. of drifting has been completed on the 750-ft. level and 53 ft. on the 875-ft. level, and while the vein width appears to be about 15 ft. with good mineralization, values were marginal until recently, when considerable improvement was noted, Mr. Miller said. Officials state, however, that another month will be required to complete the exploration of the vein system, and hopes are entertained that the grade will continue to improve.

"The company is adequately financed," Mr. Miller said, "to carry out the current development programme, and while officials are disappointed with the results to date, they are hopeful that the lower levels will yet respond to further development work."

## ARNTFIELD PLANS TO DEEPEN SHAFT TWO MORE LEVELS

### Ore Reserves Increase, Secretary-Treasurer Reports

Arntfield Gold Mines will deepen its No. 3 shaft an additional 300 ft. from its present depth of 525 ft., and levels will be opened up at 675 ft. and 825 ft., R. V. Arntfield, sec.-treas. of the company, tells The Post. Sinking will start early in the new year and will reach its objective by May, it is expected.

This is the initial step in a programme of enlarged development to give the mine five working levels. Upon the results will depend the extent of mill enlargements.

Results on the 525-ft. level, where the mine's longest ore length has recently been opened, have encouraged the taking of this new step. Stoping on the 250,- 375- and 525-ft. levels has built up broken ore reserves officially estimated as sufficient to take care of milling requirements for three months at the current rate of 170 tons daily. Total ore reserves have also increased materially, Mr. Arntfield reports, from the two-year figure on which mill construction was predicated.

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The amount of gold produced in Canada in September was 280,362 fine oz., as against 294,361 in August and 244,777 in September last year.

## *At the Mines*

**Homestead Oil** — Reports to the Toronto Stock Exchange that under an agreement dated Dec. 9, it has sold 25,000 shares at 10 cents per share and granted an option on 375,000 shares as follows: 25,000 at 10 cents by Feb. 5, and blocks of 50,000 shares at 10 cents each on March 31, and April 30, the price being raised to 15 cents for the May 31, June 30, and July 31 blocks of 50,000. The balance of 100,000 shares will be increased to 20 cents by October 31, 1936.

* * *

**Reeves Macdonald Mines**—Balance sheet as at Feb 28, 1935, shows loan from Pend Oreille at $139,557 exclusive of any credit for interest. Current assets are shown at $8.71 and current liabilities at $240.

* * *

**Sudbury Mines**—Reports to the Toronto Stock Exchange that the option agreement dated Nov., 1934, on 500,000 shares has been terminated by default, a total of 300,000 shares having been taken up. Option agreement dated May 20, 1935, covering an additional 500,000 shares is now automatically terminated by default.

* * *

**Ymir Yankee Girl Mines** — The directors have declared an initial dividend of 2 cents per share payable Feb. 1 to shareholders of record Dec. 31. Further declarations are dependent on earnings.

## DOM. FOUNDRIES ADDING $500,000 TO STEEL PLANT

### New Cold Rolling and Tin Plate Units Constructed

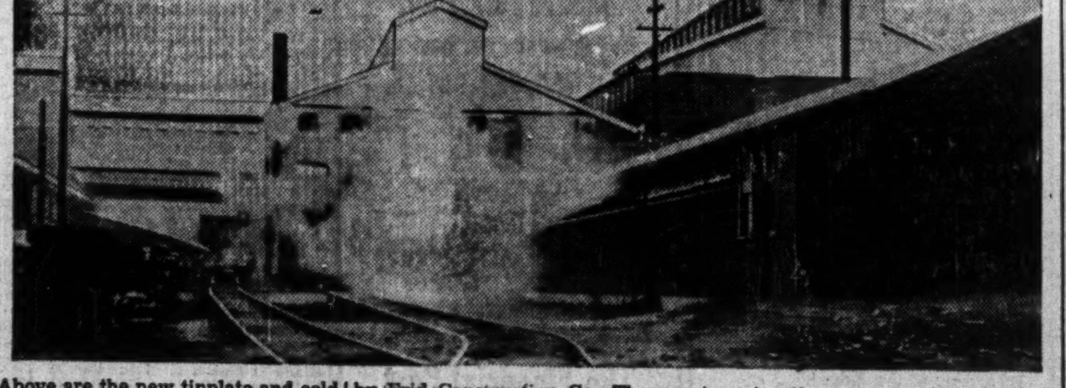
Construction of new cold rolling and tin plate units at the Hamilton plant of Dominion Foundries and Steel, at a cost reported in excess of $500,000, marks important developments in the revival of activity in the Canadian capital goods industry.

Significance of the company's expansion lies in the fact that the new plant will produce materials hitherto imported into Canada, and for which a growing market exists in the Dominion. Officials state that steel products from the new unit will be 93 per cent. Canadian material and labor, and that about 500 additional men will be employed.

The plant, constructed by the Frid Construction Co., Hamilton was designed by Prack and Prack, architects, and embraces some of the newest construction features specially adapted to the company's requirements. It will be followed by a wider 4 high cold rolling mill which, with the first unit, will give an annual capacity of about 600,000 boxes of black plate for tinning.

This is the equivalent of 100 tons of cold rolled steel daily, and places the plant in the category of Canada's largest and heaviest rolling mill, according to company officials.

## *New Units of Dominion Foundries*



Above are the new tinplate and cold rolling units at the Hamilton plant of Dominion Foundries and Steel, constructed at a cost of over $500,000 by Frid Construction Co. The new units are shown at the right, with the pickling house in the foreground, and the plate mill at the left. Total construction entailing expenditure of about $1,000,000 is planned, according to the company's president.

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## GURNEY OUTLINES DRIFTING PLANS; ORE IS DETAILED

### Will Deepen Shaft to 250 Feet — Further Drilling

In a comprehensive report on the company's affairs, officials of Gurney Gold Mines successor to Wylie-Dominion Gold Mines, state that a programme of exploration is now under way, which calls for extension of drifting on the 125-ft. level, and diamond drilling to cut the vein at greater depth. A drill is now at the property, and the management plans to deepen the shaft to the 250-ft. level in the near future, and drift on the vein at that level before sinking to greater depth.

**On 125-ft. Level**

Development work to date has indicated promising conditions on the 125-ft. level. Vein widths are known to exceed drift width at certain points where slashing has been done, but further work is necessary to establish the full width of the vein.

A summary of ore shoots on the 125-ft. level is as follows:

**Summary of 125 ft. Ore Bodies**

| Length | Average assays | Width |
|---|---|---|
| Southwest drift: | | |
| 70 ft. | $12.83 | 53 |
| 25 ft. | 6.00 | 39 |
| Northeast drift: | | |
| 95 ft. | 23.68 | 46 |
| 65 ft. | 13.77 | 53 |

Gurney Gold Mines, formed in October, 1935, has an authorized capital of 3 million shares, no par value. Of this amount, 1,644,000 shares were issued for the property and assets of Wylie-Dominion. In accordance with the agreement, Wylie-Dominion's outstanding capitalization was reduced to 1,644,000 shares, so that a share for share exchange is made possible.

**$56,000 Provided**

Officials of Gurney report that for the immediate purposes of the company, and to finance exploration for an intensive underground programme, $56,000 has been provided in accordance with the agreement, by the financial group behind Gurney.

The sponsors have in addition, options which, when exercised in full, will net the company an additional $310,000, and leave a substantial block of stock in the Gurney treasury for future financing.

## GROUP DROPS OPTION ON STADACONA STOCK

### Total of 700,000 Shares Taken Up to Date, Report Indicates

Stadacona Rouyn Mines, which has been working toward production on its property in northwestern Quebec, reports that the option agreement dated May 4, covering an underwriting on 600,000 shares, and an option on 700,000 shares has been terminated by default. All the underwritten stock and 100,000 shares of the optioned stock has been taken up.

The original option agreement provided for an underwriting of 500,000 shares at 13 cents per share, and 100,000 shares at 20 cents a share This is the underwriting agreemen which has been fulfilled. In addition, the company granted an option on 700,000 shares, at prices ranging from 30 cents on the first 100,000 to $2 per share on the last 100,000. These options were to be taken up in groups of 100,000 starting Oct. 4. The first 100,000 shares only have been taken up, according to this announcement.

This agreement, made with Montreal interests, would therefore have resulted in a gross sale of 700,000 shares, at an aggregate price of $140,000.

## GRULL WIHKSNE MAY BUY STOCK IN BAYONNE CON

### Proposal to be Laid Before Shareholders Soon

Details of a proposal whereby Grull-Wihksne Gold Mines may purchase one million shares in Bayonne Consolidated Mines, are given in the former's annual report issued recently to shareholders.

Under the agreement, which will be submitted to shareholders at the annual meeting Dec. 23, Grull-Wihksne will pay $115,000 for its 50 per cent interest in Bayonne. In addition, the equipment, mining machinery, etc., now on the Grull-Wihksne property will be transferred to Bayonne Consolidated.

**400 Proposals Considered**

In announcing the proposal, W. C. Ditmars, president of Grull-Wihksne, states that the selection was made after nearly 400 propositions were laid before the board. Of these, about 80 were examined by the company's consulting engineers.

In the balance sheet as at Oct. 31, 1935, the company shows current assets of $131,748, comprising $2,013 in cash, and $129,735 Dominion of Canada bonds, with accrued interest. The bonds are shown at cost. Current liabilities are confined to accounts payable, amounting to $570.

**$108,149 Spent**

From inception of the company, in June, 1933, until Oct. 31, 1935, a total of $27,859 has been spent on buildings and equipment; $65,310 on mine development, and $14,980 on administration and general expenses, making a grand total of $108,149.

From this is deducted miscellaneous income totalling $16,508, leaving a net expense of $91,640.

**Property Partly Developed**

Enquiries in Vancouver reveal that the Bayonne group consists of ten crown granted claims at the head of Bayonne Creek, which flows into Kootenay River. An option on the property was taken over by A. C. Frost, Seattle, and preliminary work was done last year. This work included 13 miles of road construction.

The main vein system consists of a series of fissures. One of the two parallel veins has been partially developed underground. The average assay of the Bayonne adit ore body is reported to be 1.02 ounces of gold per ton across 3.8 ft.

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# ASBESTOS (CAN.) CALLS ALL BONDS FOR JANUARY 1

## Subsidiary of Asbestos Corp. Cleans Up Last of Funded Indebtedness

**From Our Own Correspondent**

MONTREAL. — Asbestos Corp. of Canada has called for redemption on January 1 next, at 105 and accrued interest, all of its outstanding 5 per cent first mortgage bonds, which normally mature in 1947. These bonds are payable in Canadian funds, American dollars or English sterling.

At the end of last year, the company had outstanding $164,400 of these 5 per cent mortgage bonds. This compares with the original issue of $3 millions made in 1912. The bonds are secured by a mortgage on all properties of the company and the obligation was assumed by Asbestos Corporation Ltd.

**May Use Cash**

Asbestos Corporation Ltd. has reserved sufficient general mortgage income bonds for the exchange or refunding of the outstanding bonds of this issue. While there has been no official statement as to the manner in which the Asbestos Corp. of Canada bonds will be redeemed, it is likely that the company will be able to effect the redemption of this issue through its own cash resources.

With the redemption of Asbestos Corporation of Canada first mortgage bonds, the general mortgage bonds of Asbestos Corporation Ltd. will continue to rank as a secondary charge against certain of the properties, for in addition to Asbestos Corp. of Canada bonds, there are outstanding in the hands of the public, $368,379 of Thetford Vimy Ltd. and $125,000 of Maple Leaf Asbestos Corp., 7 per cent first mortgage bonds, both due 1944. These are underlying obligations of the properties concerned and are payable in Canadian or New York funds.

**Start Cash Payments**

The proposed retirement of the Asbestos Corp. of Canada first mortgage bonds has given rise to the report that the redemption paves the way for the inauguration of cash interest payments on the 6 per cent general mortgage income bonds of Asbestos Corporation Ltd.

As at the end of this year, the interest on this latter issue will be 12 per cent in arrears and it is possible that the company will make cash payment in January, otherwise the issue would again be in default, according to the trust deed.

# PARKHILL ADDS NEW CLASSIFIER TONNAGE NOW 65

## Work Starts on Opening Up Eleventh Level of Mine

**From Our Own Correspondent**

HAWK JUNCTION. — Parkhill Gold Mines, has installed a new classifier, through the installation of which the mill can maintain output at around 65 tons with the ball mill cut out, and the latter can be cut in when it is desired to increase capacity. A station has been cut and work of opening up the 11th level is under way, and at the eighth level a previously unexplored section east of the shaft has revealed a new ore shoot with good values. In the third quarter of 1935, Parkhill has maintained output at 58 tons daily, with average ore grade of $19.53 per ton which places it in the top flight of mines operating on high grade, and the milling of an excellent grade continues, with depth work proving conditions on which to base expectancy of persistence, according to field information.

In the area immediately adjacent to Parkhill, the private enterprise of Dr. S. B. Smith, Cleveland, has opened up two levels and is operating its mill continuously, with satisfactory recovery indicated and a slight boost in capacity following addition of cyanide equipment to the mill. At 200 ft. the vein width is now reported at around four ft., which is a considerable improvement over surface conditions.

At the Centennial Mine of L. B. United Mines, Ltd., the new mill is operating at close to capacity, and thought is being given to some machinery additions which will step the tonnage here to 60 tons per day or better, the initial installation being of 50 tons daily capacity.

## Gilmour Gold Mines May Add Cyanide Unit

Because the new equipment was not working satisfactorily, changes have been made in the flow-sheet of Gilmour Gold Mines which will result in a more efficient extraction method, A. A. Kenniger, sec.-treas., informs The Post.

A considerable tonnage of concentrate, averaging $400 per ton will be put through as fast as possible together with a daily tonnage of ore from the dumps and underground. Company officials are considering the addition of a small cyanide unit to treat the sulphide overflow which cannot be treated by amalgamation.

R. J. Farquharson, the company's engineer, now estimates approximately $250,000 ore ready for stoping and milling. This estimate does not take into account, of course, the "probable" ore believed to exist in the veins.

## Bulolo Gold Output Lower During November

**From Our Own Correspondent**

MONTREAL. — Bulolo Gold Dredging advise that gold production during November amounted to 9,723 fine ounces, which compares with 11,186 ounces in October and 10,742 ounces in November, 1934.

Estimated net working profit in November is shown at 7,219 fine ounces, which is equivalent to $252,665 with gold calculated at $35 per ounce in Canadian funds. In October net working profit was estimated at $287,280, and in November a year ago at $264,075.

Four dredges were in operation during the month and handled 811,000 cubic yards as against 958,000 cubic yards in October. Number two dredge, however, was shut down on November 25 for alterations.

# Sorting the Mines, 12.

## An Impartial Analysis of Listed Stocks from A to Z

These little close-ups do not pretend to be exhaustive analyses of the companies dealt with.

They are aimed, however, at giving Financial Post readers a rapid fire inventory of the market today. Each stock will be dealt with in alphabetical order at the rate of three or four a week as space permits.

This is the twelfth of the series.

### Cartier-Malartic Gold Mines

Assets of this company consist chiefly of one million shares in Canadian Gold Operators Ltd., received from sale of its holdings in Cadillac Twp., Quebec.

Canadian Gold Operators, which was formed specifically for the purpose of acquiring Cartier Malartic's Cadillac property, has on its board of directors, several men from Ventures Ltd., Canadian exploration and investment company. Ventures financed development work on this property, and while drilling revealed some rich intersections underground work was disappointing with the result that work has been suspended for some years. A shaft was sunk to a depth of about 150 ft. In return for this work, Ventures took up stock in Canadian Gold Operators.

In addition to this interest, Cartier Malartic also owns a property in Malartic Twp., Quebec, which has also been inactive for some years.

**Interest Lags**

With this background, it is hardly surprising that interest in this stock should be at a low ebb. Apart from the fact it has still about one million shares in its treasury, of an authorized capitalization of $3 million, in $1 par value stock, the financial condition of Cartier Malartic is not known, but is believed to be insufficient to undertake, by itself, any worthwhile development programme.

**Price Range of Stock**

| | High | Low | Last |
|---|---|---|---|
| 1934 | | | |
| Common .......... | .09 | .01 | .02 |
| 1935 | | | |
| Common .......... | .05¾ | .02 | .02½ |

### Castle Trethewey Mines

There has been a considerable amount of interest in this veteran of late, due chiefly to its interest in Omega Gold Mines.

The background of Castle-Trethewey should be fairly well known to readers of The Financial Post. Briefly, the company was formed in 1922 to acquire property in Nicol Twp., near Gowganda, Ontario. Between the years 1922 and 1931, the company produced silver and cobalt to the value of some $3.7 million.

In April, 1931, the company was forced to suspend operations owing to low silver prices. The erratic nature of the silver occurrences make it inadvisable to attempt an estimate of ore reserves, although it is known that the company has sufficient reserves to warrant resumption of operations if silver is stabilized at around 50 cents an ounce. At the mement there is, of course, no such assurance.

**Strong Working Capital**

Due chiefly to the efficiency of this company's management, working capital position was retained in a strong condition. As at March 31, 1935, the company's current assets exceeded current liabilities by over a million dollars. As a result, the company was in a good position to step behind the Crown Reserve and Associated Goldfield properties when these got into difficulties early this year.

In May, 1935, Castle-Trethewey agreed to advance $150,000 to liquidate debts and sufficient additional funds to bring to production the most important of these two companies' properties, which are in the Larder Lake region. As a result of this agreement, Omega Gold Mines was formed with an authorized capitalization of $5 millions, in $1 par value stock.

At the completion of this agreement, Castle-Trethewey will hold 2.5 million shares of this company.

**Omega Property**

At the Omega property, being developed under the supervision of Castle-Trethewey, results have been, to date, very encouraging. A mill, to have an initial capacity of 300 tons per day, is being built, and is expected to start before the end of this year.

It has been estimated that $4 million worth of ore is being developed at the Omega property, which, under normal conditions, should yield a profit of about $750,000. The cost of bringing the property into production is estimated to be between $300,000 and $350,000.

This company afforded a splendid example of what a well-managed concern can do in the way of rehabilitation, even in the face of great obstacles.

**Price Range of Stock**

| | High | Low | Last |
|---|---|---|---|
| 1934 | | | |
| Common .......... | .81½ | .49 | .63 |
| 1935 | | | |
| Common .......... | 1.34 | .55 | 1.10 |

### Central Manitoba

This company is, and has for some time, been living a hand to mouth, or mine to mill, existence, with surprising tenacity. Production started in October, 1927, and has been fairly steady ever since, although there is little indication as to how long it may be maintained.

At the time of writing, the mine has more ore ahead than for many months but is still only three or four months ahead of the mill. Recently the company has acquired additional properties lying to the south of the east end of its original group, and it is believed that principal hopes for uncovering new ore lie in this direction.

The fact that Central Manitoba has not yet become a commercial success, and the precarious ore situation, make it still a speculation, despite the apparent sincerity of its management.

Financially, the company reported in its annual statement as at April 30, 1935, current assets of $203,144, as against current liabilities of $33,805, which leaves a working capital position of $169,339. Current assets, incidentally, showed an increase over the 1934 figure.

**Price Range of Stock**

| | High | Low | Last |
|---|---|---|---|
| 1934 | | | |
| Common .......... | .16 | .05 | .06 |
| 1935 | | | |
| Common .......... | .09½ | .02½ | .09 |

# Mining Enquiries

### Ontario Prospectors

We would like any information available on the Ontario Prospectors' Mining & Development Co., authorized capital, one million shares of one dollar each. It was evidently incorporated under the Ontario Mining Co. Incorporation Act, and officers at one time were A. M. Robertson, President, and James E. Wickham, secretary.

Ontario Prospectors' Mining & Development Co. was formed a number of years ago with an Ontario charter. Nothing has been heard from the company for many years and it is generally believed that the company is now defunct. Accordingly, the stock has no value at the present time and there seems little likelihood of there being any market in the future.

### Texas-Can. Quotations

I notice that Texas-Canadian Oil stock is not quoted in your paper, although it is traded on the Toronto Stock Exchange. Will you please let me know its current price, and recent fluctuations?

You will find Texas-Canadian Oil stock quoted with mining stock quotations under the sub-heading, Oil Stocks, weekly in The Financial Post. In our issue of December 14 you will find it on page 18.

You will notice that the stock is, at the time of writing, selling at $1.35, approximately. The price range has been fairly narrow of late, although earlier in the year the stock sold for as low as 55 cents per share. The high point for this year was $1.41 per share.

### Reno Gold

I should be obliged if you would give me a short report on Reno Gold Mines. I have a little capital and am seeking an investment.

Reno Gold, a producing mine south of Nelson, B.C., is now on a regular dividend basis, paying 12 cents a share annually. For the fiscal year ended June 30, 1935, and after all costs, the company had a net profit of $234,591, compared with $52,732 in 1934. This increase was achieved through higher recovery per ton and reduced costs. Estimated ore reserves have increased by about 50 per cent over last year's figure, but mill heads are estimated to be slightly lower.

While management of the company has shown itself to be sound, and while the property has been operating for some years, it still must be considered a speculation. Mining costs are unusually high, total cost per ton in the twelve months ended June 30, 1935, being $13.76. There can be no assurance as to a continuation of dividends, as these are more or less paid out as earned and must depend on immediate development at the property. The management itself has stated that no definite assurance as to dividends can be given, although they "hope to maintain the present scale if possible."

Briefly, this proposition has some of the attributes of a fair speculation, provided one accepts the possibility that it may never be a large producer. As an investment, from a long term view, it does not appear to be particularly attractive.

### Lamaque Data

I would like to see as complete figures as possible on Lamaque Gold Mines. I read contradictory figures concerning mining and milling costs as well as average ore values. What is the exact connection with Teck Hughes?

Lamaque Gold Mines, subsidiary of Teck-Hughes Gold Mines, started production in April, 1935, and is at present operating on a basis of 500 tons per day. The most recent estimate of ore reserves made was as at August 31, 1935. At that time, blocked ore was estimated at 206,066 tons, with an average grade, at $35 per oz. gold, of $11.56. In addition, there were broken ore reserves of 32,481 tons of similar grade.

Since production started at 500 tons per day, only in November of this year, it is difficult to estimate what milling and mining costs per ton will amount to. It is obvious that in doubling the capacity of the mill from 250 tons to 500 tons daily, costs would be automatically reduced by a considerable amount. It seems fairly safe to estimate, that operating costs will not exceed $7 per ton, and may be a little less. The ore reserves given above do not, of course, take into consideration probable or possible ore, which would probably make an impressive addition to ore reserves.

Lamaque has an authorized capital of three million common shares, no par value, of which all are outstanding. Teck-Hughes Gold Mines owns 70.8 per cent of the outstanding stock. In addition, Lamaque has authorized five per cent mortgage bonds due February 1, 1941. The first interest payment becomes due in 1936, after which interest will be paid semi-annually. The amount of these bonds authorized is $2 millions, of which $1,250,000 have been issued and are all held by Teck-Hughes Gold Mines.

## Rickard Ramore To Deepen Shaft

Rickard Ramore Gold Mines is now preparing to deepen the present shaft and to establish levels at 200 and 300 ft., E Wise, secretary, informs The Post. The geological and surface work at the property has been concluded and the new work will be started immediately after the Christmas holidays. In the meantime a sub-level is being established at 35 ft. in connection with conditions which proved interesting on the No. 3 vein.

# CENT. MANITOBA GETS NEW LEASE MORE ORE FOUND

## Management Reports Three or Four Months Ore Ahead

**From Our Own Correspondent**

WINNIPEG. — Central Manitoba Mines' gold production for November was $42,500, according to information given out by the president of the company, William Hurst.

Production for October was more than $48,000 and the November figures would have equalled or surpassed this except for some interruption in the work. This was caused when a shot in a raise on the Hope claim at the east end of the property, opened up into a crevice underneath a swamp, and water poured into the workings. As it broke through on the firing of a round, no one was down the mine and there were no casualties. However the break had to be sealed before further operations could be continued. This has now been done.

**Find New Body**

In the meantime ore for the mill was drawn from the Kitchener where a new ore body, undiscovered by all the earlier diamond drilling, has been opened up. This body, reached by a raise from the 375-ft. level in the Kitchener workings, is definitely 80 ft. in length of mine width and good grade. More ore has also been opened up in the east end and the mine has now more ore ahead than for a long time past. The management, unwilling to encourage hopes which may not be fulfilled, is chary of committing itself but says there is at least three or four months ore ahead and that supplies for a corresponding length of time, including cyanide for the mill have now been ordered. Central Manitoba has been living from hand to mouth now for so long officials of the company want to be very sure of things before they make any further statements.

The company, it is said, has been acquiring additional property lying to the south of the east end, the more recent discoveries apparently indicating that it is in this direction principal hopes of new discoveries lie.

# VENTURES FIND AT NEELY LAKE PROMPTS RUSH

## New Area at Athabaska Pushes Frontier Further North

**From Our Own Correspondent**

REGINA.—Further interesting reports are coming from Lake Athabaska mineral field The latest is from Neely Lake, 12 miles north of Goldfields where Archie Cameron, Ventures Ltd., field engineer, and George Caywood, prospector, obtained ore samples which are reported to have assayed at Edmonton at more than 50 ounces of free gold per ton, indicating values of about $1,885, the highest so far reported from Athabaska field.

Naturally a rush occurred into the new territory as soon as word was spread at Goldfields. Little is known about the region so far. The Saskatchewan department of natural resources cannot confirm anything from that region.

**Influx Noted**

The department has noted an influx of mining men from Manitoba and the United States, all headed for Athabaska field. Air services are being kept busy transporting to Goldfields and from Goldfields to various points of operation.

The Neely Lake discovery is the farthest north find so far reported. Claims staked along the Athabaska Lake shoreline are spread over a territory 160 miles long from Cypress River in the west to Sucker Bay, where Athabaska narrows down to Fond du Lac.

Claims are bunched in about four sections, one at Cypress River, another to the east south of Taxin Lake, then the Goldfields area and farther east Sucker Bay region where the Consolidated Mining and Smelting Company is reported to have optioned numerous claims at a price ranging from $75,000 to $100,000.

**Consolidated Mining & Smelting Co.**

Operations on Goldfields property are progressing favorably with 60 men at work, 24 hours of the day. No. 1 shaft is down 100 ft. and has drifted 500 ft. No. 2 shaft 1,400 ft. north is being dropped vertically to meet drifts from No. 1 These operations will take the underground working below two narrow lakes and according to reported plans it is the intention of the company to remove unwanted material up No. 1 shaft to be dumped into Vic Lake. Ore will be brought up No. 2 shaft for milling. No. 1 shaft drifts are seven feet in height and five feet wide.

**Athona Operating**

Athona, two miles east is operating its 15-ton capacity test mill. A three-compartment shaft is down 80 ft. Elsewhere diamond drilling is going on at a rapid rate. Both Smelters and Athona have erected substantial buildings, there being about one million ft. of lumber used by both companies.

The Athona camp is electrically lighted, steam heated and with running water. Two oil burning Diesels and a large compressor are in operation almost 24 hours a day. There are about 50 men at work on the Athona property and they are housed in buildings built to handle a larger number.

Considering the fact that the Athabaska field is not much more than a year old, its progress has been more rapid than any other field in the Northwest Territories or contiguous to that area. Explorations are still being carried on north and east of Goldfields and at the rate discoveries are being made, quite an area along parallel 59.30 will be staked.

# *Inco Can Pay All Obligations And Save $7 Millions on Year*

**From Our Own Correspondent**

SUDBURY.—International Nickel Co. will not find itself under any embarrassment in providing the $6 millions for its new smelter addition, nor will the common or preferred stock holders have their regular dividends imperilled in the financing of the expansion programme.

Nickel can meet its preferred and common stock dividends, write a cheque in full for the smelter construction and have $7 millions left over—all out of this year's operations.

Nickel's total net profits for the nine months ended September 30 were $18,050,827. If the company earns as much in the fourth quarter as it did in the third—and the outlook is that it will do much better—its net income for the full year will be $25,793,411. Preferred and common stock dividends, as declared, for the year will require the sum of $12,138,617, leaving $13,654,794 to carry to surplus account.

The company showed in its third quarter report cash and government securities amounting to $26,782,584 and an earned surplus at the end of the period of $40,216,810.

## Can. Gold Output Again Makes Record

Canadian gold production reached record heights in October, the Dominion Bureau of Statistics reports. The total for the month of 301,712 ounces, compares with 280,362 ounces in September and 265,709 ounces in October last year.

World production in October, according to the American Bureau of Metal Statistics, totalled about 2.6 million ounces, or 2.3 per cent above the September output.

## Scotia Gold May Work Second Group of Claims

**From Our Own Correspondent**

WINNIPEG.—Not much has been heard recently of Scotia Gold but it is understood a meeting of shareholders will be called some time this month, or early in the year.

In the meantime Scotia Gold has been doing some internal housecleaning, a job that is now pretty well finished. There were no prosecutions following the charges of "salting."

The company held two groups of claims and it is believed the shareholders will be asked to agree on some development work on the second of these groups which lies a short distance from the east end of Central Manitoba Mines property.

The treasury is in good position with considerable cash on hand while there is also only a comparatively small amount of capital stock outstanding.

# MAY BOOST MILL AT CARIBOO GOLD EARLY IN 1936

## New Shaft Results in Healthy Underground Condition

If developments at the property of Cariboo Gold Quartz Mining Co., the new dividend payer in the Cariboo district of British Columbia, continue as they have been recently, indications are that by the end of January, R. R. Rose, the company's engineer, will recommend that the mill be increased to 200 tons, O. H. Solibakke, president of the company, informs The Post. Milling cost, Mr. Solibakke stated, dropped 26c. per ton by the increase from 100 to 150 tons. The new installation would make it possible to mill 275 tons daily without additional cost in the way of equipment. As the new shafts are sunk, values are maintained and ore is being blocked out rapidly in advance of mill requirements.

Mr. Solibakke points out that the company has issued in all 1,333,309 shares. For these it received $1,100,905 net. The first million shares were sold to small investors over a period of nearly seven years and brought in about half of the total net to the company. The cost of this issue to the company and the public was 20 per cent in commission. Out of this 20 per cent, all sub-agents and advertising costs were paid. The 303,309 shares brought in as much money as the first million No commission was paid on these sales with the result that the mine was financed at a cost of 10 per cent with no stock bonus.

# Gold from Russia May Reach Total Of 5.5 Million Oz.

The fact that Russia is doing remarkably big things in connection with her gold output is confirmed by recent estimates of the American Bureau of Metal statistics.

Preliminary indications are that the Soviet's output this year may be about 5.5 million ounces, compared with 4.2 million ounces in 1934; 2,814,000 ounces in 1933; 1.9 millions in 1932, and 1.6 millions in 1931.

The avowed goal of the Soviet regime is to exceed the South African production which amounts to approximately 11 million ounces annually. This figure makes South Africa the greatest gold producing country in the world.

Russia has achieved its goal to the extent of now becoming the world's second largest gold producer.

If preliminary estimates for Russia's 1935 production are borne out, the 31 per cent increase from that country's output would lift total world production to about 30 million ounces for 1935 as against 25.3 million ounces in 1934.

At $35 per ounce, this would mean that $1 billion would be added to the world's monetary supply.

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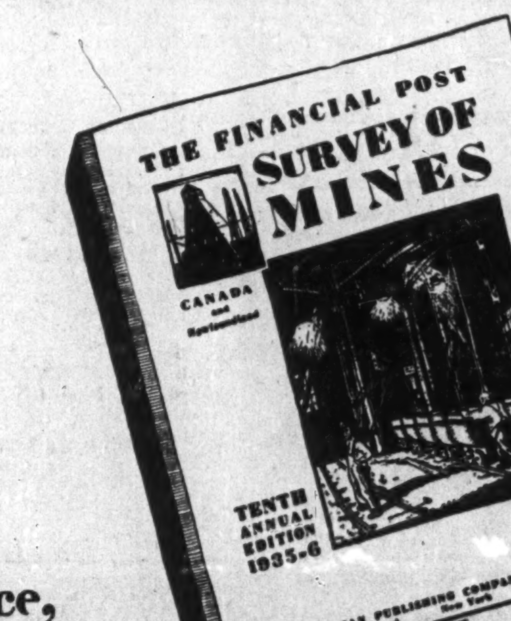


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# German Youth and Labor

## From the Age of Eight State Guidance is at Disposal of Boys and Girls

### — Break Down Class Distinctions — Emphasize Dignity of Labor

BY MURRAY R. CHIPMAN

What of German youth?

In company with Jochen Benemann, who conceived the idea of the Anglo-German camps and the Franco-German youth camps, I spent an evening watching the activities of some groups of the Hitler youth movement (Hitler Jugend) and those of the Union of German girls (Bund Deutscher Mädels).

**International Camps**

Benemann is an interesting lad—24 years of age and speaks English excellently with an Oxford accent, though he has never attended that university. He saw the value of English and French youth contacts. Receiving the endorsation of the German government, organized such camps in which the youth of the various countries mingle to understand each other's viewpoint and to share their youthful aspirations.

One of these Anglo-German camps was held last year in Dorset and proved to be most successful. Similarly English lads joined a German youth group in Germany.

**Voluntary**

Membership in the Hitler Youth is voluntary and with the Hitler Girls, numbers some six and a half millions. Membership begins at the age of eight with the juniors, who graduate into the intermediate and then to the senior groups.

I sat in with Benemann, in Berlin,, as a group leader directed a dozen or so boys through a sort of catechism from a booklet. The lads were asked questions which they answered as imperfectly as any normal group of boys, and the whole was punctuated by songs from time to time,

**Some Propaganda**

In summer, of course, hiking and camping come into the régime. As far as I could determine, their routine included some propaganda toward the National-Socialist ideal and the part they should play as citizens in the new state. Otherwise their training and activities were similar to our Boy Scout movement.

The activities of the Union of German Girls, which I witnessed, were confined to physical training. I was told that the girls were factory workers—they were in their early 'teens. They were having a merry and strenuous time, dressed in their shirts and blue shorts.

One cannot observe the youth of Germany and their starry-eyed appearance of health without some impression that this new and healthy Germany is a challenge to our more self-indulgent nations, whether the objective be ultimately peace or war.

Another day I motored from Berlin out to one of the Labor Service Camps. This is a profoundly significant movement. It comprises all boys who compulsorily at the age of 17 must spend six months at these camps.

**Break Down Class**

The camps are designed to break down class hatred and distinctions and to emphasize the dignity of work. At this particular camp the boys were cycling out to the forest and extracting resin from the trees, to be made into turpentine. In other camps they dig ditches to irrigate and reclaim land, or they do various other types of state work.

**Well Housed**

This camp was housed in what had formerly been a stove factory. The head of it was more the paternalistic than the military disciplinarian type.

The boys had fixed up the interior of their quarters quite attractively. One small room was the camp hospital and the local village doctor was the camp physician, responsible for the first health inspection of the boys, and regular attendance for health inspection thereafter.

The head of this camp said that to him one of the interesting things would be the effect of the association with the other boys upon lads from communistic homes. It is well to remember that at the election in 1932 there were over 6 million communistic votes ballotted. Communism is the enemy most ruthlessly pursued by the National-Socialistic Party, but it is obvious that many youths of 17 got their early training in communistic homes.

The boys in the Labor Service Camps have a pretty strenuous routine. For the first month they rise at 6 in the morning and afterward at 5.30 during the summer months. They have morning physical exercises, breakfast and then push off to their work. One thing that interested me was that after lunch there is an enforced period of one and one-half hours for sleep or relaxation.

The Labor Service Camps fit into the German youth picture between their school years and that of compulsory military service which is at the age of 20 and continues for one year.

Combining the youth of intellectual background and promise with the youth of the common people, the Labor Service idea is rooted in the National-Socialistic precept that the people are the foundation of the New Germany; that a distinction of character and ability is the only basis of differentiation.

As a former member of the Canadian Expeditionary Force, during which experience I observed the degree to which the German soldiers obviously carried through orders where some unexpected conditions demanded initiative, I was impressed by one new factor in the German Youth Movement and Labor Service. That factor is the premium placed upon qualities of leadership. These are anxiously sought, fostered and rewarded by promotion. If this means a development of a new initiative in the youth of Germany, then it is safe to say that coming German military forces will have a new and added effectiveness through the developed initiative of more of their individual members.

It could be a logical inference of an outsider that the Labor Service Movement is but another step in the chain of the regimentation and discipline of youth in Germany with a military motive in mind. The German will frankly state that Labor Service Camps have as an objective the breaking down of those forces inimicable to the National-Socialist concept and selling German youth on the idea and ideal of their part as citizens in the new state.

There are certainly positive values in giving youth anywhere an opportunity to learn the dignity of work through actually doing it, and in the process, learning something about the point of view of those less fortunate. But even if we assume that the motive is non-militaristic it requires no imagination to see the value of such a training if war does result.

Since my return I have seen reports that it will be compulsory for German girls to report for Labor Service duty for six months. If this means segregation of all classes of girls in Labor Service Camps, from undercurrent of opinion which I heard, I would expect the move to be decidedly unpopular among the middle and former higher class parents.

The Labor Service movement must not be confused with the Labor Front (Arbeits Front). The National-Socialist Government banned all labor unions and both employees and employers are all banded together in what is called the Labor Front.

**No More Strikes**

I asked an important German business man, head of an old-established firm, what he thought of this arrangement. He said that for him it was a most satisfactory one. Since the advent of Hitler and the establishment of the Labor Front, strikes he said, had entirely disappeared. Due to agitator promotion these were frequent before the change.

I was informed that the employees have a representative of the National-Socialist Party. He is placed in their midst as an observer and they, and he, have access to the employer. The head of the firm is expected to be decent and just and the government does not interfere as long as his business is conducted as one with any sense of social co-operation would conduct it any way. If there be any complaint which the management and the employees do not agree upon, then it is adjudicated by the government's representative in the district.

I asked him, "Do the workers share a knowledge of your financial position and profits?" He replied in the negative, and went on to say that his profits had increased considerably with the improvement in business and the absence of strikes, but that this did not bother the government because it got its share in taxation. The employees were still getting the same wages.

**Cultural Development**

This business man spoke very favorably of what is called the "Strength Through Joy" (Kraft Durch Freude) Movement within the Labor Front.

This is a movement whereby the worker may get the cultural benefits of travel, music, the theatre, and certain educational advantages at very small cost. It is financed apparently by a small contribution by all workers.

Obviously this is a boon to many types of workers heretofore embarrassed by lack of income. On the other hand, I ran into one circumstance where I learned of some of the difficulties of successfully purveying culture en masse—the people preferring to think their own little thoughts and feel as uninspired as they had habitually done.

The German people have not entirely lost their sense of humor. We were told of a Labor Parade last summer. One of the floats showed a husband and wife and in front of them, 22 babies. Along the side of this copious crib were the words, "Strength Through Joy."

Youth is well organized in the new Germany with voluntary training starting at the tender age of eight.

Top picture shows Hitler Youth (Hitler Jugend)—combining with the Hitler Girls (Union of German Girls) a membership of six and a half millions. These voluntary youth groups comprise literally the growing strength of Germany's new National-Socialist Movement.

Immediately below are a group of Hitler Girls—radiant partners in Germany's new destiny. (This is an official picture, all others are taken by Mr. Chipman.)

"Labor Service" leaders are shown at the right. They are described as more of the paternalistic rather than militaristic type.

At right a "Labor Service" Youth salutes the dignity of work. Spades are trumps in these Labor Service Camps where all boys of all classes, at the age of seventeen, foregather compulsorily for six months.

## The New Germany

For centuries the German army has been noted for its blind obedience to orders. Failure at the Marne in 1914 and failure in most of the battles against Napoleon a century before were attributed to this trait. Is Hitler in his New Germany building up another kind of discipline?

M. R. CHIPMAN

It may be significant that in both the boys' camps and the compulsory labor corps for German youth personal initiative is encouraged. Incidentally, too, class distinction, based on birth alone, is discouraged.

In this second article on his personal experience in the Reich, Murray R. Chipman, Eastern Manager of The Financial Post, describes the new position of youth and labor in Germany.

## WINDSOR HOTEL BONDHOLDERS BAND TOGETHER

### Form Protective Committees Following Default of Interest

From Our Own Correspondent

MONTREAL. — Bondholders of Windsor Hotel Ltd. have formed a protective committee to look after their interests.

Interest payable on July 1 1935, on the first mortgage bonds and also that payable on June 1, 1935 and December 1, 1935 on the second mortgage bonds, has not been paid.

While the company reports a slight increase in earnings for the last ten months, as compared with the same period in the previous year, it is understood the company will not be in a position to pay interest on the first mortgage bonds, which falls due on January 1 next.

**Look After Interests**

In view of the circumstances, holders of the first mortgage and the second mortgage bonds have thought it desirable to form a protective committee in order to keep in close touch with the operations of the company, in the interests of the bondholders.

Following are the personnel of the committee:

First mortgage bondholders Protective Committee: Chairman, Hon. Jacob Nicol, K.C., Sherbrooke; Wm. Copeland Finley, Montreal; Dr. C. W. Colby, Montreal; J. E. Fortin, Toronto; Rene Morin, Montreal. Counsel: Hon. J. L. Ralston, K.C., Montreal. Secretary: F. K. Doody, P. O. Box 2610, Montreal.

Second mortgage bondholders Protective Committee: Chairman, A. S. McNichols, Montreal; J. E. Fortin, Toronto; J. E. McConnell, Montreal; J. Albert Blondeau, Montreal; Frank C. Baker, Lennoxville. Counsel: W. H. Howard, K.C., Montreal. Secretary: Oswald Brand, A. S. McNichols and Co., 132 St. James Street West, Montreal.

## Group Seeks Control Charlottetown Electric

From Our Own Correspondent

MONTREAL. — Prince Edward Island bondholders of the Maritime Electric Co. are reported to have have organized under the chairmanship of John F. Wheir for the purpose of seeking control of the Charlottetown Electric system. The company is now controlled by Associated Gas and Electric of New York.

## C.N.R. Given Authority To Abandon Ontario Line

From Our Own Correspondent

MONTREAL.—Authority has been given to Canadian National Railways by the Board of Railway Commissioners to abandon 9.2 miles of line between Burgessville and Woodstock, Ont.

## NEW IMPETUS SEEN IN HALIFAX SHIPPING

### Nearly 300 Vessels Scheduled Before End of January

A total of 289 vessels is scheduled to arrive and sail from Halifax before the end of January, according to the official Port Authority schedule.

Evidence confirming earlier indications of a busy winter season in port shipping activity is seen in the long list of liners and freight vessels reported at Halifax since the season opened.

Resumption of Red Star Line steamers' sailings, and inauguration of a new service between Halifax and the continent by the Fjell Line, are also contributing to the growth of operations.

## Obituary

**Charles W. Coats**, director of the Saskatchewan Wheat Pool for the last ten years, is dead at Moose Jaw. He was born near London, Ont., 67 years ago.

**Arthur S. Edgar**, manager of the general merchandise department, the head office, and sales offices of the Canadian General Electric Co. died in Toronto.

**William C. Horne**, executive of the Midwest Storage and Distributing Co., since its inception, died at Winnipeg. He was 41.

**R. L. Innes**, president, of Zimmerknit Co. and former executive of Canadian Canners and of Dominion Canners, died at his home in Hamilton. He was born in Dundas 63 years ago and was prominent in industrial circles of Hamilton for many years.

**Dr. Israel Melbourne Lovitt**, director of the Grand Hotel Co., and Maritime Finance Ltd., of Halifax, died at his home in Yarmouth, N.S., He was 73.

**New C.N.R. Official**

Henry K. Goodwin, of Moncton, has been appointed regional treasurer, Atlantic Region, of the C.N.R. Mr. Goodwin succeeds B. A. Bourgeois, also a resident of New Brunswick.


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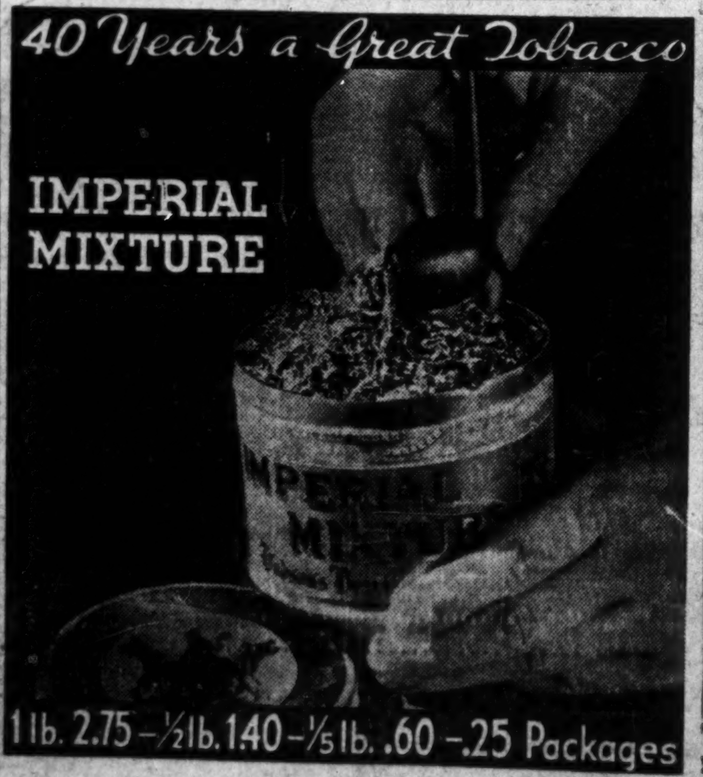




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The Simplest WAY

Some of the simplest things we do give others the most pleasure. I once knew a man who was always doing people favours, but he made such a fuss over it that those he helped often wished he wouldn't. That's partly selfishness.

Then there's the woman who will spend days searching all over town, wearing herself to an unsociable frazzle, trying to find the right present for some man who probably won't appreciate it anyway.

There's one simple way around that difficulty. Give him a box of Bachelors. The nearest cigar store has them, sealed fresh in "Cellophane" and specially wrapped for Christmas. Know the pleasure on Christmas day of seeing him light one up, pull in a long drag of fragrant Havana, and say with thousands of others—

"IT'S GOOD TO GET BACK TO A 10c. CIGAR!"

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